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DEBATES and PROCEEDINGS

of the

2nd Session of The 23rd Legislature of The Province of Ontario

Toronto, Ontario.

THURSDAY, FEBRUARY 16, 1950, ET SEQ.

VOL. 4

P R O C E E D I N G S .

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS SIXTEENTH DAY OF MARCH, A. D., ONE THOUSAND NINE HUNDRED AND FIFTY, AT TWO O'CLOCK, P. M.

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Toronto, Ontario
Thursday, March 16, 1950
2.00 o'clock, p. m.

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2.00 O'CLOCK, P. M.

And the House having met.

PRAYERS.

MR. SPEAKER: Presenting Petitions.

Reading and receiving petitions.

Presenting reports by Committees.

MR. B. L. CATHCART (Lambton West): Mr. Speaker, I beg leave to present the fourth report of the Standing Committee on Miscellaneous Private Bills, and move its adoption.

THE CLERK ASSISTANT: Mr. Cathcart from the Standing Committee on Miscellaneous Private Bills presents the following as the fourth report.

To the Honourable, the Legislative Assembly of the province of Ontario.

Gentlemen:

Your Standing Committee on Miscellaneous Private Bills begs leave to present the following as its Fourth Report:

Your Committee begs to report the following Bills without amendment:

Bill No. 24 - An Act respecting the Town of Leamington.

Bill No. 25 - An Act respecting the Town of Alexandria.

Bill No. 28 - An Act respecting the Township of North York.

Your Committee begs to report the following Bill with certain amendments:

Bill No. 16 - An Act respecting the City of Windsor.

Your Committee would recommend that the following Bill be not reported, the petitioner having requested that it be withdrawn and Your Committee would further recommend that the fees less the penalties and the actual cost of printing be remitted:

Bill No. 12, An Act respecting the Ottawa Young Men's Christian Association.

All of which is respectfully submitted.

(Signed) Bryan L. Cathcart
Chairman.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of Bills.

Orders of the Day.

MR. EAMON PARK (Dovercourt): Mr. Speaker, before the Orders of the Day, I would like to make an enquiry of the hon. Minister of Labour (Mr. Daley) of which I have given him notice.

I would like to know if the report has been received from Mr. Justice Roach, in his capacity as Commissioner to enquire into the Workmen's Compensation, and if there is not, if the hon. minister (Mr. Daley) can indicate when he expects to receive the report?

I would ask him further if it is his intention to table the report in the Legislature for consideration this Session, and if there will be time to discuss the contents of the report before this Session expires.

HON. CHARLES DALEY (Minister of Labour): Mr. Speaker, when the Commissioner was asked to act and bring in a report regarding Workmen's Compensation, it was contemplated that could be in time for this Session. But as the enquiry went on, and it developed into a much greater enquiry into the Workmen's Compensation, because of numerous briefs from all parties concerned, it became evident that the Commissioner would not be able to submit the report in time for the opening of the Session.

He discussed this matter with me, whether it would be better to bring in a tentative report, or wait until such time as he had ample time to thoroughly consider the whole matter,

and bring in a real, substantial report, and he advised that both labour representatives and the representatives of industry agreed with him that it would be better to take a little more time, and when he brought the report down, it would be complete.

So it would appear, Mr. Speaker, that the report will not be down in time for this Session.

MR. SPEAKER: Orders of the Day.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I beg to table answers to questions numbers 42, 46 and 60.

MR. SPEAKER: Orders of the Day.

HON. LESLIE M. FROST (Prime Minister): Order No. 3.

ADJOURNED DEBATE ON THE SPEECH FROM THE THRONE

THE CLERK OF THE HOUSE: Third Order, resuming the adjourned debate on the amendment to the amendment to the motion for an address in reply to the speech of the Honourable, the Lieutenant-Governor, at the opening of the Session, Mr. Frost.

MR. CAMPBELL CALDER (London): Mr. Speaker --

HON. GEO. H. DUNBAR (Minister of Municipal Affairs): Do your stuff now; the eyes of Ontario are all on you.

MR. FARQUHAR OLIVER (Grey South): Let him get started first.

MR. CALDER: Mr. Speaker, in being privileged to conclude the debate on the Speech from the Throne for our group, one cannot begin better than to congratulate himself upon finding himself in the middle of such good companions. Of all parts of this House, there is no place I would rather be than here, surrounded in this small pinnacle by those supporting the Liberal party.

HON. T. L. KENNEDY (Minister of Agriculture): Long may you stay there.

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: Because this is, as it were, a kind of ice-berg, and the better part -- and by far the bigger part -- of the Liberal party does not appear here.

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: But many a saucy craft has come to grief, because the captain did not realize that the submerged portion of the ice-berg extended very far indeed, and in contrast to my corky friends who are at the moment riding high, we must not forget the party of which this group represent only at the moment a small part.

Mr. Speaker, it is the duty of all of us in this House to address to you, sir, the most cordial thanks and genuine gratitude for the kind of presidency you have given our proceedings. It is not only a case of your personal hospitality, but also the dignity which you impart here, and which is so necessary.

The reason you have succeeded in this Chairmanship -- and many of us I imagine feel, and certainly I do at the moment, how far short of one's intentions achievement falls -- but you have succeeded because you [illegible] you have demonstrated to both sides of the House that you are going to be no man's man.

I do congratulate the hon. Prime Minister (Mr. Frost) on enjoying the confidence at the moment of the hon. Minister of Highways (Mr. Doucett). Under the present arrangement of the Conservative party, that is all that matters. I do not intend at the very beginning of what is likely to be a long afternoon, to lay on another layer of congratulations and good wishes and thanks, and all that kind of thing, because that can be done, as I trust I have done personally, in a personal way, and in less formal circumstances.

But one cannot pass over the mover and seconder of the address, the hon. member for Leeds (Mr. Reyholds) and the hon. member for Cochrane North (Mr. Leger). One would want to hail the hon. member for Cochrane North (Mr. Leger), the land of the giant plow, and one would want to instruct the hon. member for Leeds (Mr. Reynolds) who seemed to take a rather non- responsive attitude toward the invasion of the "foreign devils" into his riding last October.

Let me urge the hon. member for Leeds (Mr. Reynolds) that we in London not only invite you to come, but to stay awhile, and "to come" means everybody come.

Even Mr. Drew has been there twice in the last six weeks, and when I can, I am there to hear him.

MR. WM. DENNISON (St. David): Was it worthwhile?

MR. CALDER: Frankly, no.

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: He laid great emphasis upon the duties of the Opposition party, and one of those duties he expressed to be not to fall into the trap of disloyalty or omissions, and that is a phrase I hope to use as my own justification this afternoon, in what may seem to become a rather long, drawn-out affair. We have a duty to the government, not to be disloyal to our functions, in pointing out your omissions.

But I was getting back to the hon. member for Leeds (Mr. Reynolds).

The hon. Prime Minister (Mr. Frost) has been down to our city, and we hailed him as a fellow citizen, and as a free man of the city, and an alumnus of our university, but do you think he elbowed his way into London, contrary to the wishes of the local Conservative association?

The hon. member for York West (Mr. Millard) has also

been a visitor, and I can say that none made a more impressive statement than he, and it was non-political.

You are all welcome, and I shall continue to try as best I can, whenever you come, to receive you happily, because, sir, none of us tell the whole story, and unless we are going into one another's constituencies, how can the public judge?

MR. J. B. SALSBERG (St. Andrew): I accept the invitation, and will be there a week hence.

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: It is with the greatest regret that I advise the hon. member for St. Andrew (Mr. Salsberg) that my legislative duties compel me to be here, one week hence.

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: I intend to spend no further time on the city of London. This booklet, the splendid work of the Chamber of commerce and the city council speak so much better than I, for the city itself.

I do wish to follow up the remarks of the hon. member for Wentworth (Mr. Easton) and I want to point out to the hon. Minister of Travel and Publicity (Mr. Cecile) that we have certain objections to his latest production, not the production itself, but the distribution of the material in it. There are in it eighty-two cuts, and among them only five homes can be identified as relating to western Ontario, and I see there is an hon. member from western Ontario sitting directly behind the hon. minister (Mr. Cecile). There is not one which deals with London. There is one on the back, which deals with London, England, but why give Toronto honourable mention --

SOME hon. MEMBERS: They deserve it.

MR. CALDER: Not in that proportion. That is only symbolic, and it is much out of proportion.

In regard to the Department of Planning and Development, there was another point raised yesterday by the hon. member for Cochrane South (Mr. Grummett). There was a discussion as to how this body might try to do something to improve rural life. That is where the hon. Minister of Planning and Development (Mr. Griesinger) might come in. I urge him deliberately to tip the scales of his department in favour of the smaller centres and rural areas, and when industry comes to his office looking for sites, would it not be possible to start first and show them the other places, and if none of them suit, then let them turn to Toronto.

The reason I argue that way is because the industrial magnetism of Toronto is so great that it needs no conscious aid from this administration. As the hon. member for northern Ontario, and those for south-western Ontario know, unless there is that deliberate slant in our favour the growth of Toronto will become abnormally and unhealthily fast.

Now, sir, the purpose of this debate is to oppose on this side of the House and not subscribe to that self-composed certificate of self-complacency, as evidenced in the Speech from the Throne, That is something which perhaps we cannot do. Of course, there is over there no division as between neighbours, but for many reasons I should imagine that most of them will join in declining with great regret the acceptance of the government's self-satisfaction. In complimenting the hon. Prime Minister (Mr. Frost), I do want to say that his reply to the hon. Leader of the Opposition (Mr. Jolliffe) was as a great a spectacle of auto-intoxication as I imagine this House will ever see.

SOME hon. MEMBERS: Hear, hear.

MR. CALDER: Now, if I may converse with my friends,

I would use the hon. member for Dovercourt (Mr. Park) as the personification of his group. First of all, do you not think they ought to change their name? Everybody has forgotten what "C.C.F." stands for, and I would urge them to take the name of P.A.L., which stands for Political Arm of Labour. It is more significant, and more euphonious.

For example, last Session I was sorry afterwards I did not join with the hon. member for Dovercourt (Mr. Park) one night in the House, when he brought forward the suggestion that when a strike occurs, and our police are called in, a consultant from the Department of Labour should be on hand to advise the Provincial Police, in that extraordinary atmosphere.

The moment he made that suggestion, the House went into one of its bad-tempered wrangles, which excludes reason.

But, on second thought, I rather think he was right, because the presence of that expert representing the government, and through the government the public, would not only be medicinal, but it would give actual an character representing the public interests, which in any labour dispute has still the greatest interest.

He was suggesting in a speech just this last week, that we should have a consumers' research bureau in the Department of Agriculture. I beg to suggest, sir, that we would much rather see some co-operation with the Dominion government, whose work on consumers' research and standards' [illegible], can be revived, and we ought to help them.

I do not go along with the hon. member (Mr. Park) in a great deal of his extravagant language and his indiscriminate attitudes, which is very typical of his colleagues. First of all, there will this session be a lot of talk about discrimination, and most

of it will be nonsense, because you cannot get away from discrimination. It is absolutely necessary. What you need is fair and wise discrimination. I think we should applaud the discrimination of the electors who chose us as the successful candidates, amongst several. So if we must have discrimination, let it be penetrating. In the general enthusiasm of the official opposition, one finds a failure to discriminate between the profits which are unjustifiable, and the profits which are salutary. There is a disposition to discriminate between men, and if one man carries a union card, they have him ticketed and catalogued, and that is all there is to him. But there is so much more to personality than that.

Then the hon. member (Mr. Park) moved along to a subject which may touch him very closely politically, that is, the amalgamation with the city of Toronto, and I do not mean that in the ordinary sense at all. If I start to wander off the track, I hope the hon. Premier (Mr. Frost) will check me, because I think he could, at the outset, remove thoughts with which I have been supplied, but with which I do not want to agree, and that is , that this government is working on a two-year plan, at least in amalgamation. First of all, I think the hon. Premier (Mr. Frost) did not do much good to this discussion simply by injecting an ultimatum. But the two-year plan which may be behind amalgamation -- and again I ask the hon. Premier (Mr. Frost) to correct me if I am wrong -- is that this year you will draw the electoral maps, perhaps latitudinally, rather than longitudinally, and next year, you introduce a Bill to amalgamate the city of Toronto, and then the last Bill will by one to re-distribute the seats in Toronto.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker,

there is no intimation from the government that we are going to introduce any Bill on amalgamation, We are hopeful at the present time, as municipalities are meeting together under the chairmanship of a gentleman whom I named at their request, Mr. Bunnell -- that they will find a solution of their own troubles themselves. We have not said we were going to bring in any Bill on amalgamation, or anything else.

MR. CALDER: Mr. Speaker, I wonder if the hon. Premier (Mr. Frost) will go the next step and say that before the next general election, he will not re-distribute the seats of Toronto, or any place else?

MR. FROST: What has that to do with it? Nobody has thought of that. It is only your suspicious mind.

HON. T. L. KENNEDY (Minister of Agriculture): "Sufficient to the day is the evil thereof".

MR. CALDER: The hon. Prime Minister (Mr. Frost) says he never thought of it, but will he answer the question? Will he say to the House now that there will be no re-distribution before the next general election? No?

MR. FROST: The last re-distribution was nearly twenty years ago. We have grown in that time, by, I should think, a million and a half people, When does the hon. member (Mr. Calder) think a re-distribution should be held? Are you afraid of a re-distribution?

MR. CALDER: I think the re-distribution, after the next general election, would be wise.

MR. FROST: We trust the people.

SOME hon. MEMBERS: Hear, hear.

MR. CALDER: Their trust may become thinner and thinner as the time of testing approaches.

I want to say, Mr. Speaker, that unless the hon. Premier

(Mr. Frost) sets at rest that idea, he will not do that, because if that is ruled out, let us have it ruled out now, and openly.

I take it from the attitude of the Treasury benches, that they are ruling it out.

HON. GEO. H. DOUCETT (Minister of Highways): Why rule it out? You brought it up.

MR. CALDER: I think the idea has died right there, and I am glad it has.

MR. FROST: Are you afraid of re-distribution?

MR. CALDER: No, but I am afraid of what might happen, to the Opposition because I rather suspect, Mr. Speaker, that the government deeply feels that the official opposition has not just the right kind of personnel to be representing this city and if re-distribution could be had parallel to the lake, and not as it is now, north and south, you might have a different kind of opposition.

MR. MacLEOD: What would we get?

MR. CALDER: But when one speaks of amalgamation, I thought for a time the hon. Premier (Mr. Frost) was talking very good sense, but in very general terms, and he brought his facts down to a dead line, and then there is a gap left for speculation, which I am glad to see is being ruled out by the present government.

MR. FROST: I did not rule anything out. I say that when the issue of the integration of municipal services takes place in Toronto, I feel sure we will have a policy which will satisfy everybody.

MR. H. C. NIXON (Brant): You are very optimistic.

MR. J. B. SALSBERG (St. Andrew): Is that all, without the whip?

HON. GEO. H. DUNBAR (Minister of Municipal Affairs): Who are you supporting?

MR. SALSBERG: I just wanted to know.

MR. CALDER: No, now that we have left the policy for the fullness of time, may I pass on more to the present line of Conservative policy, as indicated in the work in this House?

The first thing is, the twenty-two points are gone forever, and as said by the hon. Prime Minister (Mr. Frost) they are outlawed.

MR. FROST: All completed.

MR. CALDER: Let me remind you, hon. Mr. Prime Minister (Mr. Frost), that down in London you showed how interested you were in the fourteen-point program which hung in the office of the mayor. That is the way, I submit, a platform should be handled hung up in public for everybody to see.

The twenty-two point platform upon which this government is still living, on the depreciation just exactly nothing. It means as much as this pass to Niagara Falls, which was given to some of us yesterday by the hon. member and chief salesman for that city (Mr. Houck).

This pass looks wonderful. It entitles you, "except as noted hereon" to admission to view the scenic grandure for which descriptive words can be but an understatement.

But at the bottom you read, "This pass is not good during March, October, April, June or May". And then you see here, "It is null and void in January, July and December", and over here (indicating) they say it is "invalid in August November and September." So the thing is no good. It was just a good joke between friends, but the twenty-two points were a poor joke on the public.

SOME hon. MEMBERS: Hear, hear.

MR. DUNBAR: We got sixty-six members; three for each point.

MR. CALDER: Your present policy is a three-pronged

affair, and you could stick twenty-two on each prong, and still have the sixty-six.

MR. JOLLIFFE: Remember the forty per cent.

MR. CALDER: And the first point is anti-George. Let me remind the hon. Minister of Municipal Affairs (Mr. Dunbar) that is anti-Mr. Drew, and I suggest to this House that the deliberate approach of this administration is that whatever Mr. Drew did, they will do the opposite.

MISS AGNES MACPHAIL (York East): It is safer.

MR. CALDER: Where he gave the venom, they give oil; where he took umbrage, nothing can provoke this government. And as an example of that, two pieces of literature came to our desks yesterday, both concerning the Department of my hon. friend, the gentleman of shaggy charm, the hon. Minister of Lands and Forests (Mr. Scott).

In the mail, there came a letter from the London council of churches addressed to the hon. Premier (Mr. Frost) and the hon. Minister of Lands and Forests (Mr. Scott), setting out nine questions with regard to the forest situation, and the forest policies, the contents of which I imagine are painfully familiar to the hon. members of the government.

In the morning, the hon. Premier (Mr. Frost) received a deputation from the Trades and Labour Congress, and their briefs had eight points on forest policy. What I am wondering about, -- and what anybody who is looking to a constructive future for this province is wondering about -- is why did the government take this line, not of least resistance, but of no resistance at all? The government and the hon. minister (Mr. Scott) have been flooded with inspired literature, its inspiration, we know, comes from an avowed Conservative, but there has been no attempt to give any publicity, or equal

publicity, or offsetting publicity to the position of the government. Can you imagine, Mr. Speaker, the hon. Mr. Drew subjecting himself to that kind of treatment? Not for a moment.

MR. MacLEOD: Who is the Conservative who is inspiring all this?

MR. CALDER: The hon. member for Bellwoods (Mr. MacLeod) will, in good time, answer his own question.

That is very indicative, that this government, until it formed its election policy, is, first of all, doing whatever Mr. Drew did not do.

Secondly, it is question of "now you see me, now you don't" business. When times are good, and things are buoyant, "now you see me". We will certainly see this government in the centre of the picture. Tomorrow afternoon, when the province's condition of health is established, and credit is taken for the business acument of this administration, "now you see me".

But when there is misery, "you do not see me now". That business cannot go very far. In this group we will stay with our Federal colleagues, whether the time is good or bad, and share with them our part of the responsibility for unemployment, for the trade policies, for farm prices, and we cannot pretend we never heard of these things, and say it is a Federal matter. No, sir. That is one reason why Liberals can never understand why the Tories, when one of their leaders goes down, he is out. We are much more warm-hearted, and in good times or bad, we stick with our friends.

MR. DUNBAR: How about "Mitch" (Mr. Hepburn)?

MR. CALDER: We will stick.

It has been demonstrated in politics there must be

courtesy and fair dealing. There is no other way of conducting public affairs than by the utmost consideration and courtesy between men who differ, and differ as strongly. That is the lubrication without which public affairs cannot move smoothly. I am still personally a friend of "Mitch" Hepburn's and I have the greatest respect for Rt. Hon. Mr. St. Laurent, and his followers. I do not intend to discriminate between Liberals, because you cannot discriminate wisely between any Liberals.

SOME hon. MEMBERS: Hear, hear.

MR. CALDER: So the government policy is, first of all, anti-Drew, and, secondly, to take credit for other people's prosperity. They are just like the farmer who has land, and oil has been found, and he claims to be a great business man, and when the oil flows over onto other people's land, he calls that "social security".

Your third policy is simply to spend. Let the hon. Provincial Treasurer (Mr. Frost) read some of his speeches made ten years ago, because spending is not the solution to everything. It too, must be wise and judicious, always that is the problem of whether this dollar gives best service over here, or over there, and it is the marginal dollar which is the most difficult one to dispose of.

MR. JOLLIFFE: You are not speaking about by-elections?

MR. CALDER: No, I am glad you reminded me of that, because in the government spending program, which is going to be considered, is included Hydro, $690,000,000., highways, $150,000,000., lands and forests -- and there in that department will be a much more subtle kind of spending or not spending. Then there is public works. Before the program is finished, there is going to be a general election.

It is to the hon. Minister of Reform Institutions (Mr. Hamilton) to whom I now address myself, together with the hon. Minister of Mines (Mr. Gemmell), and remind them, as well as the hon. Provincial Treasurer (Mr. Frost) of the collective responsibility of the whole Cabinet, and I am sure that every hon. member in this Chamber would far rather see these dollars perfectly spent without one scandal, than to turn upt a scandal with which they can be dislodged. It just takes one scandal to do it.

MR. FROST: Mr. Speaker, does the hon. member (Mr. Calder) infer there is any scandal? He has not found one yet, has he? May I say to the hon. members opposite they are sitting in the opposition benches, why do they not have the inquiry to which they are entitled, and they can ask any question in the world.

MR. CALDER: I am referring to the fact that there is going to be a general election.

MR. FROST: That is not a scandal. What is the hon. member (Mr. Calder) afraid of a general election for?

MR. CALDER: Let the hon. premier (Mr. Frost) remember what I have said, that we would prefer there be no scandal --

MR. FROST: I can assure you there will not be.

MR. DOUCETT: You do not need to worry.

MR. CALDER: The man about whom I am worrying is the hon. Minister of Reform Institutions (Mr. Hamilton) at present, due to become the provincial Treausrer --

MR. WELSH: He can look after himself.

MR. CALDER: The time will come when he will be asked to look the other way. Mind you, the corruption is by no

means as gross as it used to be.

MR. DUNBAR: Where is it?

MR. FROST: That is a most absurd thing for my hon. friend (Mr. Calder) to say. He talks about "corruption" and "scandals". Has he anything to say about "corruption" or "scandal" in the conduct of the business of this province? I do not think he should by inference and innuendo suggest there is something which is scandalous or corrupt. If he knows of anything, let us have it. What is the hon. member (Mr. Calder) talking about?

MR. CALDER: I am talking about the future, when the pressure comes. Everything is lovely now.

SOME hon. MEMBERS: Hear, hear.

(Take B follows)

MR. J. W. HANNA (Huron-Bruce): Mr. Speaker, I just wondered if he had any future.

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: I wish I was as sure of my future as the hon. member (Mr. Hanna) in the committee rooms downstairs. Let us not get off the point here.

SOME hon. MEMBERS: Oh, oh.

MR. DUNBAR: You are right on it.

MR. CALDER: I am quite serious about this, and I am telling the government that any group that looks to the future and senses its responsibility, does not want any monkey work in public spending prior to the next general election. That is the way to lose elections. In this province, money has been thrown away in that they have been spending it and that can lose an election.

MR. PORTER: Do not worry, you will lose.

MR. OLIVER: There may be a reaction.

MR. CALDER: I suppose, Mr. Speaker, once in every Session an hon. member says something that he wishes he had never said.

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: Let me remind the hon. Prime Minister (Mr. Frost) of once this Session that I feel he opened his mouth only to put his foot into it. As a legal man he should not have said this, and it cannot be allowed to pass. I will not detain the House on an analysis of it, but I do want to begin by pointing out that the government has been delivered most happily from a dreadful situation by the decision of the Supreme Court on rent controls. As the hon. Attorney General (Mr. Porter) was quoted in the Globe and Mail of February 1st, it says:

"The Attorney General also touched on the practical

"consequences to Ontario if controls were suddenly removed. There would be speculation as to the kind of hardship that would arise. The Ontario Government felt it should not be put in the position of having to deal with that problem.

"The federal government was cleaning up, decontrolling in a reasonable way. Ontario did not want to have to enter a field vacated by another government and take on the 'left-overs' of federal controls."

MR. FROST: That is right, what is wrong with that?

MR. CALDER: The point is, this government is not prepared to deal with rent control had the decision gone the other way.

SOME hon. MEMBERS: Hear, hear.

MR. CALDER: This government felt it should not be in the position of having to deal with that problem.

MR. FROST: That is right.

MR. DUNBAR: What would the hon. member (Mr. Calder) do about that?

MR. CALDER: I would not use an argument like this. This is what the hon. Prime Minister (Mr. Frost) said. This is from Hansard, what the hon. Prime Minister (Mr. Frost) said on the matter of rent controls:

"Our position is simply We had representatives at the rental hearing, the hon. Attorney-General of Ontario, who presented the case for the people of this province. Our position is this, what is the use of our

"taking a selfish position in connection with our constitutional power? The fact is, the federal administration has control of wages, material and all the things that go to make rent. Therefore, if you are going to have any effective control of rental, it must lie with the government that has these powers. Our argument is simply this, that undoubtedly an emergency existed during the war, that an emergency is continuing to exist, and even if it did not, that the federal administration would have the power to go ahead and de-control rental when that emergency ended."

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: May I ask the hon. member (Mr. Calder) a question? Is he not aware that that is the position taken by this province in the case and it was exactly the same as that taken by the federal government. The federal government argued the same way. Would the hon. member (Mr. Calder) say I was wrong?

MR. CALDER: Yes. I will be indebted to the hon. Attorney-General (Mr. Porter) if he can show me one good, sound lawyer, speaking for the federal government, who adopted such words as I have quoted from the hon. Prime Minister (Mr. Frost).

MR. PORTER: Probably it would not be quite so eloquently said.

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: Eloquently? In the first place, Mr. Speaker, it is simply not so. Has the federal government

now got control of wages? No. Who has the minimum wage law? That is on the revised statutes of Ontario.

MR. PORTER: Does the hon. member (Mr. Calder) want to argue the case all over again here?

MR. CALDER: I want to do this. I want to tell the government that they adopted a spurious argument which they would repudiate later on.

MR. PORTER: You mean, the Supreme Court was wrong? We won the case.

MR. CALDER: Mr. Speaker, if they will show me in their brief the same words as here in Hansard, I will say they won their case. I still hold, Mr. Speaker, it is only a matter of time until this government will change its position. I think the very same argument applies to liquor as much as to rentals. Whoever controls wages in the building industry, controls them as much in the liquor industry.

MR. FROST: Does the hon. member (Mr. Calder) know that the argument was used by the hon. Mr. Angus MacDonald, Prime Minister of Nova Scotia in his argument to the federal government? Incidentally, I am indebted to Mr. MacDonald for that argument, and he is a great Liberal.

MR. CALDER: It is a matter of law.

MR. J. W. HANNA (Huron-Bruce): I wonder if the hon. member (Mr. Calder) would permit a question?

MR. F. R. OLIVER (Grey South): Sit down, Jack.

MR. HANNA: Permit me to answer a question. I just got the latest paper, and it says, "St. Laurent Lauds Frost".

MR. H. C. NIXON (Brant): What question is that?

SOME hon. MEMBERS: Oh, oh.

AN hon. MEMBER: Is that a weather report?

MR. OLIVER: What is the question?

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: Mr. Speaker, the point here, is that you have adopted an argument which applies to liquor, which applies also to company profits as much as it applies to rental, and if applied to corporation profits, you would be into that field, pressing for payment and all the benefits as quickly as you could; but when it is a case of unwelcome responsibility, something in which you do not believe, do not want and were not ready to give, then I submit that you have adopted a position which is only a matter of time and convenience until the government itself will repudiate it. I may be wrong about this, but I am willing to go on record with that wager.

MR. PORTER: You are absolutely wrong.

MR. CALDER: Well, Mr. Speaker, I may be as absolutely wrong as I was in referring to one thing said last session, which I am sure the government wish it had never said, and has brought an echo from Overseas. After all the heated discussion that went on in this Chamber on that simple question, is or is not the Charitable Gifts Act retroactive? You will remember we said the idea of watching charities was all right. However, we did not then, and we do not now think that this House ought to indulge in retroactive legislation. I venture the suggestion that before this Session is over, we will see another clear-cut case of retroactive legislation.

Now, in the journal of the Parliament of the Commonwealth, published by the General Council of the Parliamentary Association, in their issue Number Two, for June, 1949, on page 296: in reviewing legislation of our House, they devote a paragraph or so to this Bill, and wind up by saying:

> "By subsequent amendment the Act which was to function retroactively gave trusts and benefits seven years in which to comply with the law."

I think that the authority cannot be disputed, because the very character of Sir Howard d'Egville whom we met here the other day indicates the kind of association publishing this kind of commentary. The hon. Prime Minister (Mr. Frost) sees that, I am sure. A Conservative Premier will wish he had never mentioned -- I will remind him of what he said last year on page 1622 of Hansard:

> "It is inconceivable that any testator simply because his will has come into operation before the date of this Act should be regarded as having a vested interest of carrying on in perpetuity a condition which is utterly opposed to public policy and public good."

Now, Mr. Speaker, look to the future. Who knows whether it will be war hysteria or a new kind of social credit or some other kind of cock-eyed idea of that type which will bring into power some radical government. In the opinion of that government it will be opposed to public policy and public good to die wealthy. It could happen, it could happen in Ontario, and the hon. Prime Minister (Mr. Frost) has given the very statement of justification

and remake the will of any wealthy men who have died within the time that could be reached by the arm of the hon. Provincial Treasurer (Mr. Frost).

MR. J. B. SALSBERG (St. Andrew): Is that a serious problem in London?

MR. CALDER: It is serious everywhere, because it is the people on the land, farmers, who are the people group of who best understand that the law is their civil defence just the same as the Army, Navy and Air Force are the military defence.

MR. FROST: I might say the hon. member (Mr. Calder) went down and had the opportunity of using that argument before the people in a riding of the province and he got snowed under.

SOME hon. MEMBERS: Hear, hear.

MR. NIXON: Is that all you can say?

MR. FROST: What more can I say? The people said it, I did not.

MR. CALDER: The issue is not settled so quickly. It is one of those deep-going questions which will take years for the effect to be felt. There is a tell-tale I am watching, and it will be years before that tell-tale will register clearly one way or the other. If all our elections are as happy as Leeds, we will be content, because the organization that began there is constantly improving, and the results obtained there will constantly improve also.

MR. SALSBERG: Which way?

MR. HANNA: We can get his idea in 1975.

MR. CALDER: Before I leave the hon. Attorney-General (Mr. Porter), I do wish to record on Hansard my thanks to him for the badge of recognition which he kindly conferred on me. It will be recalled when we were discussing the question of K.C's. last year, I said the policy was ridiculous. It is another case where one differs in policies but maintains friendly personal relations. On chatting with the hon. member for Toronto Beeches (Mr. Scott) I am glad to learn that he too thinks the policy is ridiculous that simply because a man comes into this House that he should be given that recognition that is not given to other members of the profession. There are half a dozen barristers in London more deserving than myself.

MR. PORTER: Do you want to resign?

MR. CALDER: Oh, no. No, Mr. Speaker, if I am going to have to labour over the legal education of the hon. Attorney-General (Mr. Porter) the way I have been, this afternoon then I am going to need all the professional support I can rally to my side.

SOME hon. MEMBERS: Hear, hear.

MR. DUNBAR: Why, your party made lawyers by Acts of Parliament.

MR. FROST: And then made them K.C's.

MR. OLIVER: Where does one of them sit now?

MR. CALDER: That was some more retroactive legislation, but I do suggest to the hon. Attorney-General (Mr. Porter) that he reconsider his policy because the logical result will be if he is going to continue that policy and not discriminate between hon. members, he must give my hon. friend, the hon. member for Toronto Beeches (Mr. Scott) a K.C. the day he is called to the bar next May,

MR. SALSBERG: Hear, hear.

MR. CALDER: I am glad to hear the hon. member for St. Andrew (Mr. Salsberg) joins me in thinking is it a curious situation. The profession is not one that is so greatly illuminated by characters such as ourselves that we deserve prior recognition. Let it be kept for better men at the bar.

MR. NIXON: They could not find any.

AN hon. MEMBER: What bar?

MR. MacLEOD: Would you advise that retroactive legislation to knock out all K.C's.?

MR. CALDER: No, certainly not. And now, Mr. Speaker,--

MR. DUNBAR: Make him a doctor instead.

MR. CALDER: When you turn to consider the subject of housing, I want to say to the government that we in London very much believe in housing. Anything I can do, anything I have done to expedite these houses I will gladly do, and I shall do nothing to embarrass them in any way.

On a matter of policy, no matter how much the government does in London or elsewhere, it will be too little, because it is too late. I do not say that in 1943 the Conservative could, with the cooperation of the federal authorities, have then begun to build houses, but had the hon. members of the government then been strong enough to have pressed for a civilized approach to the Dominion Government, we would have been about six or seven years advanced in our housing program.

It is that great time lag that you simply cannot recover now. The basis of agreement would have been reached, the negotiations would have been concluded, we would have

been ready to go as soon as the materials were available. We are just getting started now, and that is why it is too late.

MR. FROST: May I point out to the hon. member (Mr. Calder) that the federal government just passed this Act a very short time ago, two or three months ago. If they had passed the same Act that they passed last November, and it was framed on much of the experience we gained here, why, of course, we could have availed ourselves of it five or six years ago, but they did not pass the Act.

MR. CALDER: But, Mr. Speaker, it takes two to make an agreement, and who in Ontario was ready to go and try reasonably and sensibly --

MR. PORTER: Mr. Speaker, really, the hon. member (Mr. Calder) is addressing the House at this time, but it was about six years ago when we made a definite offer to the Dominion Government to go 50-50 with the municipality, and it was turned down in 1944.

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: October, 1944.

MR. FROST: We went to Ottawa several times.

MR. CALDER: That raises a good point which we will raise in the Budget Debate, but I do not retreat from my position that you are late. I wish you well, but no matter what you do, you cannot recover that.

Hon. W. GRIESINGER (Minister of Planning and Development): So you think it is too late? Have you spoken to me about it?

MR. FROST: The Mayor of London thinks we are pretty good people.

MR. CALDER: We in Middlesex will believe these houses when we see them. I am not going to elaborate for anybody's benefit

the necessity for the houses, but as soon as they can go, good; whatever I may do to help the Mayor, or the council or this government, good; but for the history of the attitude of the Conservative administration on this thing, let us save that for a little closer analysis.

MR. PORTER: That would be a good thing to do.

MR. CALDER: I do not think, Mr. Speaker, we need spend much time on education. There are at least three alternatives with regard to the Hope Commission report, and I would ask the hon. Attorney-General (Mr. Porter) to contain himself until he has heard all three. I think the government either must have known what was in the report and did not like it; secondly, they did not know and did not care; thirdly, they did not know and they cannot wait. Now, I hope it is that third one, because I think that is the true one, that you naturally would not know what was in the report. You could not get it, you did not press for it firmly enough, but you just could not wait, and we have been trying to tell you that you cannot wait and you cannot make education wait, and the municipalities wait, and at last, your hand has been forced.

MR. PORTER: Have we not done the right thing?

MR. CALDER: You have got out of the Commission an interim report which you yourself said would be considered only a last resort.

MR. PORTER: No, but is our policy not right? What we have done, not what we could not do.

MR. CALDER: I did not know you had a policy.

MR. PORTER: Perhaps you have not been reading the newspapers.

MR. CALDER: But the point is, [illegible] policy, if you are going to do justice to the Commission --.

MR. PORTER: We have done justice by the poeple, that is what we are interested in.

MR. CALDER: Have you appreciated what it could mean?

MR. PORTER: What is wrong with what we have done as far as the interests of the people are concerned?

MR. CALDER: Have you even apologized to the Commission? If you did not, you should have because that was wrong.

MR. PORTER: I asked about the people.

MR. CALDER: Did you not ask for the Commission? And now, when you turn from kind of sadness to something that is supposed to be constructive, I can think of at least three. I am not for a moment, going to try to recapitulate the solid point brought up by my solid liberal friends, which they went over in great detail, but when we start to look over this province, we should not overlook a condition here and now under our noses, in this building. What is it offer to the people who work in it all year round? They need better ventilation, better light, better space, better equipment.

MR. SALSBERG: And more money.

MR. CALDER: In this Chamber --

MR. HANNA: I think he should throw in the ball.

MR. OLIVER: Sit down.

MR. CALDER: I take it, Mr. Speaker --

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: I take it that the hon. member (Mr. Hanna)

is winding up the Debate on behalf of his influential group.

SOME hon. MEMBERS: Oh, oh.

MR. CALDER: We sit in this Chamber eight or nine weeks in the year, and we have the only air-conditioned room in this building.

MR. NIXON: Good Heavens!

AN hon. MEMBER: We need it.

MR. CALDER: But the people who work in this building, they have to go along without proper air-conditioning, without proper equipment, without the right kind of tools because the government seems to think civil servants instead of having new equipment can be supplied with any old equipment. That is not all that is needed. The working conditions of the staff in this building are atrocious, and I am glad to see the hon. Provincial Treasurer (Mr. Frost) seems to agree, we need air-conditioning, we need better ventilation, andwe need --

MR. SALSBERG: And more money.

MR. CALDER: I think the civil servants should bargain for more money, but I do think they would do better work if they had these needs met.

MR. SALSBERG: But they need more money.

MR. CALDER: The people who are working here are not working under conditions in which they can work well, and I trust that will be sufficient for the hon. Prime Minister (Mr. Frost). Not much more can be said about that, but let it come soon. If it does not come, I am going to suggest, Mr. Speaker, that we congregate in this building, the Cabinet Ministers and other non-effectives, to show them

what it is like. I trust when the hon. Minister of Public Works (Mr. Doucett), when he is putting up his new office building he will make them all the very best for the sake of those who have to work in them, and for the sake of the taxpayer getting his full return for his money. Any business concern would do as much for its staff simply for the purpose of getting maximum efficiency out of happy and healthy workers.

MR. SALSBERG: Give them a raise.

MR. CALDER: There is another problem all over the province which cannot be settled immediately, but should be settled as soon as possible, and that is the matter of a central registry for all motor vehicles.

(Take C-1 follows)

There are about 200,000 in the province now. There will be more soon. They are traded repeatedly, and what we have to do in the public interest is work out something like they have in some of the United States -- they get a title deed which shows any charges which there may be against the car. With an old car it would have to be issued new. This has been studied and the answer is the system is desirable and practical but too expensive so my suggestion is to let the main burden of the expense fall on the people who will benefit most; the people who deal in cars. If you let the successive transfew fees increase the people who benefit will pay the greater burden. It is the kind of thing that you put on the Department of Highways and we can follow up with details on the proper occasions.

Last of all, sir, I wish to impress upon the government a long range program on which we should make a beginning. That is a kind of problem that grows on one and like conservation, it might be at a tremendous cost if the problem is not dealt with soon. I think that in the matter of our pollution of our waters we should begin with a small committee to arrive at an answer before it is too late. It is in evidence the Thames River in which we used to swim in the 1920's as kids was described by J. Cameron Wilson as a ditch. There is industrial sewage flowing in there. Colpoys Bay is also polluted and the Spanish River and Thunder Bay, and we have been followed by Rainy River. There has been great work done by the present committee and it is a healthy sign. Let us get a Select Committee of labor men, working men that have to live close to the plants and close to the pollution. We need an industrialist there. He is the man we want. Our dilemma is that we want industries, but not their blight. We need a health man and a municipal man, because the problem of assessment is most difficult. I think a long range program should start soon. Let us be sane and non-partisan in our attitude.

I think that we are in a position where it is better to light one candle than curse the darkness.

SOME hon. MEMBERS: Hear, hear.

MR. C. H. MILLARD (York West): Mr. Speaker, in arising to participate in this lengthy debate, I do wish to make some contribution, due to the fact that there are so many important questions that one could deal with. The questions which I will deal with have to do with the well being of the people of Ontario, which has been termed by this Legislature as the "great province of Ontario." That is a description to whichI heartily subscribe.

I also rise, in some trepidation, due to the fact that we are faced with a government and with Speeches from the Throne which try to make us believe that everything is in fine order ---everything is healthy and the goose hangs high.

Everyone on this side of the House, and in this group, have decided we should have a serious discussion, and I am aware that we are accused of being gloom mongers, and one member went so far as to use a hymn to assess the conditions onthis side of the House.

What I have to say is of a very serious nature, pointing out as I must, some serious omissions in the policy and program and inthe Speech fromthe Throne. I am serious when I am gloomy, or represent a group that is gloomy. We cannot look at the situation in this province of ours without being seized with the problems with which we are confronted, the difficulties which we are facing are to be found in the unemployment situation, inthe conditions facing the farm population, in the housing situation, in the system of financing, in our educational system and with the costs that are accruing to the taxpayers.

I must ask the indulgence of the hon. members of this House to give me a little important time due to the seriousness

of problems which I have partially enumerated here and due to the lengthy debate which has taken place. Since our last meeting in this Legislature there have been three by-elections ---two provincial and one Federal, to which I would like to make reference. Two of those by-elections resulted in the election to this House of the hon. members who moved and seconded the reply to the Speech from the Throne.

They intimated, with the assistance of the hon. Prime Minister (Mr. Frost) later in the debate, that this was a mark of approval by the people in Cochrane North and in Leeds and it put the stamp of approval on the Charitable Gifts Act, and the general approval of the people of the province on the present administration, and I would like to clarify the record by pointing out one or two inescapable facts regarding these two by-elections that brought the two hon. members to the House (Mr. Reynolds; Mr. Leger) and on a third by-election, which was the Federal by-election in Greenwood. I will proceed with one of the by-elections, the one in Cochrane North, and I think it is the duty, certainly the perogative of a member elected to this House---to point out some of the problems with which the people in a constituency like Cochrane North are confronted with from day to day. On the subject of the road, which the hon. member (Mr. Leger) referred to as a good highway, a Trans-Canada highway, I want to suggest in passing to the hon. Minister of Highways (Mr. Doucett) and to the government that you will place your member from Cochrane North (Mr. Leger) in a much better position if you would get in a bridge connecting the provincial highway over that river, instead of going down and going over the dam of the paper company, where a decent truck and trailer could n t manoeuvre.

HON. GEORGE H. DOUCETT (Minister of Highways): The trucks go over there all the time.

MR. MILLARD: Is that a good situation there?

MR. DOUCETT: It has many conveniences under the conditions.

HON. LESLIE M. FROST (Prime Minister): We will get all these things done.

MR. MILLARD: And then going the other way from Cochrane I put out the fantastic situation of connecting two sections of a highway, having a Federal ferry.

MR. FROST: The hon. member (Mr. Millard) should see what has been done. That is what the people voted for.

MR. MILLARD: That is very nice of the hon. Prime Minister (Mr. Frost). I saw things that were not done. I saw some of the houses that were abandoned and some of the types of suffering and it looked to me as if we should plant rice along there.

MR. FROST: Where?

MR. MILLARD: Along the highways of Cochrane North. The point I wish to draw attention to is something that appeared in the papers of Timmins, and I want to suggest to every hon. member in this House that there has been a good deal of sham going on between the party in power and the party represented by the hon. members of the Liberal group. I would like it a matter of record the kind of arrangements that are arrived at. I would like tp point out that this is the first by-election since the Bill covering the Charitable Gifts Act. This was the testing ground. This was the place where the Liberals could have made their position on this question clear, not Leeds. Cochrane North was the first place where the test could have been made.

MR. FROST: They pulled out to help you.

MR. MILLARD: Mr. Speaker, without being unduly interrupted.....

I would like to read the article from the newspaper:

"LIBERALS' BRADETTE BACKS
PC MAN IN BY-ELECTION
"FREE ENTERPRISE VS. SOCIALISM SAID
THE ONLY ISSUE IN VOTE

"Something unusual if not unique in Canadian political life is occurring in North Cochrane today in the June 8 provincial by-electionin which Progressive Conservative Marcel Leger of Hearst and C.C.F.er Roy Kenney of Kapusking are contending for the Ontario Legislature seat made vacant by the death in an automobile accident last Fall of Johnny Carrere.

"Liberals Backs PC

"Despite the fact that a dominion general election campaign is in progress, Joseph A. Bradette, veteran Liberal member, running for re-election, is supporting the Progressive Conservative candidate in the provincial by-election."

I was very glad to hear from the hon. members for Middlesex that they are glad to stand behind that. They apparently were a party to this deal.

"And his support is not merely passive, for Joe Bradette, whatever ot her faults he may have, is never passive. It is active. He is urging his friends and supporters to vote for Leger on June 8 and has said so emphatically at more than one public meeting.

"He and Mr. Leger recently met at a Board of Trade dinner at Cochrane in honor of Premier Leslie M. Frost. Prior to the meeting Mr. Bradette warmly shook Mr. Leger's hand and wished him well in the

election. 'I'm supporting you' he told the youthful provincial candidate, 'and I'm urging all my friends and supporters to do likewise.' During the meeting Premier Frost made laudatory reference to Mr. Bradette's long career as an M. P."

MR. FROST: That was a Board of Trade meeting, not a political meeting.

MR. H. C. NIXON (Brant): It was you who turned it into a political meeting.

MR. MILLARD: "Taking their lead from Mr. Bradette, a number of prominent Liberals in all parts of the constituency have been openly supporting and working for Mr. Leger. They include heads of the Liberal organization in many parts of the constituency."

MR. FROST: What is it that my hon. friend (Mr. Millard) is reading from?

MR. MILLARD: From the Timmins Daily Press, a good Tory paper. I hope it quoted you correctly.

"Mr. Frost expressed the keynote of the informal Liberal-Progressive Conservative coalition when he said that the contest in North Cochrane is a battle between free enterprise and socialism, adding that both old-line parties are based on free enterprise principles.

"Despite the fact that there is no Liberal candidate running and that the local fight is overshadowed by the Dominion election campaign, political observers in the riding predict a heavy vote. This, they say, is largely due to the heavy political artillery participating.

"Premier Frost spent three days in the consti-

tuency and addressed three meetings. Hon. Louis P. Cecile paid a two-day visit during which he delivered one address. Later this week Hon. George H. Doucett is to pay a three-day visit and address two meetings, at Hearst and Kapuskasing.

"C.C.F. leader E. B. Jolliffe, K.C., MPP, is scheduled to spend several days in the constituency later this week. Mrs. Pierre Casgrain of Montreal, national vice-president of the C.C.F., is also expected to spend some time in the riding to appeal to the women's vote. W. J. Grummett, K.C., MPP, for South Cochrane plans to give active support to Mr. Kenny as does Leo P. Lalonde, C.C.F. Federal candidate for Timmins riding.

"The result, as in a horse race, is anyone's guess. But the Progressive Conservatives are supremely confident. They have thoroughly convered every section of the riding and say they are now concentrating on getting the biggest majority possible for their candidate. At the same time they are not resting on their oars, but are staging a vigorous campaign just as if they felt they had a real fight on their hands.

"'We feel that we are going to win, but we are leaving nothing to chance,' Mr. Leger commented today. 'We are aiming our sights at the biggest majority ever given in the constituency as an encouragement to Premier Frost and his associates to carry on in doing the fine job that they are'."

Mr. Speaker, my reason in bringing this to the attention of the House is to show that there seems to be no appreciable difference betweenthe Conservatives on the one side and the Liberals onthe other, and this sham battle is an example of how they will find it convenient to coalesce.

MR. FROST: I would like to ask the hon. member (Mr. Millard)---

MR. MILLARD: I am not giving the floor. The hon. Minister of Education (Mr. Porter) will wind up the debate for the government and I am not allowing questions to interrupt my speech.

Mr. Speaker, that is true.

MR. SPEAKER: Thehon. member (Mr. Millard) asks questions about the government and the Liberal opposition and the Labor-Progressive opposition, and that is an ordinary debate. I don't think the honl member (Mr. Millard) should leavthe floor every time. It is his right if he is not going to allow any questions, to so mention. However, if there is a reasonable question I thin it might be put. I do not want every statement to be questinned by any hon. member.

MR. MILLARD: I would like to agree on your ruling, Mr. Speaker, and I would like to have the members feel free to ask any legitimate question, but not to use it as a device to interrupt my speech.

MR. FROST: Mr. Speaker, I have a question to ask. The hon. member (Mr. Millard)--- accuses me and my party of having a coalition with the member for North Cochrane (Mr. Leger). I would ask the hon. member this, was there a coalition between the party on your left and your people in putting in a candidate in the Leeds by-election?

MR. MILLARD: In our particular party the local consti-

tuency has the final say as to putting in a candidate for Leeds or anywhere else, they decided they would not put in a candidate.

MR. F. R. OLIVER (Grey South): That is what they did in North Cochrane.

MR. MILLARD: I take the word of the leader of the Liberal group (Mr. Oliver) but the former Liberal member worked with the Conservative candidate.

My reason for bringing this to the attention of the House is for the purpose of pointing out that there seems to be a little bit of ingratitude on the part of the hon. members opposite who criticize the former administration when they use this apparent working relationship in the case of necessity between the two parties.

MR. FROST: I deny such a thing. In Leeds we were very glad to have the majority of the C. C. F. voters vote for us. And it will be the same inthe next election.

MR. MILLARD: Coming to the third by-election, that is Greenwood, I want to congratulate the hon. Prime Minister and the former Prime Minister for campaigning in Parry Sound, Cochrane North and Leeds, onthe slogan "Get This Riding in the Government Lines." When we come to the Federal by-election we get the opposite. Make the position stronger. I say that the hon. Prime Minister and his help are to be complimented if they can win either way. They can get the opposition and strength at Ottawa and in the ovincial arena.

MR. F. R. OLIVER (Grey South): They are flexible.

MR. MILLARD: And I should like to point out that the air of confidence of the members opposite is not very well based after that. It not only represents a majority of a little better than 40% of the electorate, but you are in some cases, and in Cochrane North, in a precarious position

when you have to form a coalition to win.

MR. FROST: We got big over-all majorities in both these by-elections.

MR.. MILLARD: You cannot help that if you only have two candidates. I would like to say, if I can, that this thing should be put to proper participation. The situation which we had in the war arises in many instances today, and I do not believe that the hon. members opposite are taking seriously enough the evidence of difficulties which are now upon us.

I believe it is very easy to say how difficult matters are because of foreign exchange or foreign trade, I believe that is easy to say, and it is easy to say that problems like the high cost of living and other problems would disappear if we did as w e did in the past.

Mr. Speaker, I want to place on record a news article in the press of June 1st, 1942, and I do it simply by saying in so many words "LestWe Forget." Lest we forget the experiences of the past and the emergencies we had inthe war years, and I suggest to the hon. members opposite that we get ba to the same position today and because the situation is such as it is I would like to bring this to the attention of the hon. members and to be onthe record.

This is a quote from Doctor J. J. McCann when he estimates that illness costs 50 times more than strikes. I quote fromthe article:

> "A large proportion of the physical defects of the 44 per cent of the young men recently called up for military service and who were not fit would never have occurred if in their youth they had been given the right kind of food, reasonably good living quarters and adequate medical supervision and

attention.' This opinion was given today to the general session of the Canadian Public Health association and Ontario Health Officers' association by Dr. J. J. McCann, M.P., Renfrew South. He is president of the health association.

"'Governments,' said Dr. McCann, 'should be brought to the sharp realization that what counts in this world is people, and that wealth and material things are secondary.'

"He stated community health services must be extended into industrial plants.

"The Canadian council of nutrition dietary survey a couple of years ago, Dr. McCann said, showed that only 40 per cent of the people of Canada are properly courished. 'The remaining 60 per cent were neither close to undernourished or actually undernourished. That means that many suffer ill-health from lack of proper food.'

"'On any one day Canada has 50,000 wage earners idle through illness,' Dr. McCann said. 'The cost of ill-health exceeds $250,000,000 a year. Here surely is a serious handicap to our war effort. Canadian workmen lost last year 425,000 work days due to strikes. Sickness costs more than 50 times more in work days than do strikes. Yet there appears, both on the part of the public and the government, much more concern over a walk-out or sitdown strike than there ever is over forced liedown strikes of the ill and injured.'"

(Take D follows)

He advocated health insurance, as a Dominion Act.

Dr. McCann, I understand, now, is the hon. Minister of Internal Revenue in the Cabinet at Ottawa, and as far as I know this is the last time Dr. McCann has been heard publicly about doing something about this situation, which concerns all of us, particularly in this industrial province.

Now, Mr. Speaker, as I pointed out, my reason for putting that on the record is to try and get us to focus our attention on the real problem, with which this problem is concerned, and I suggest to the hon. Prime Minister (Mr. Frost) and to every hon. member on the government side of this House, that today's situation regarding unemployment is critical.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: Because it is symptomatic, that we have not done anything which leads to the situation which Dr. McCann reports.

MR. B. E. LEAVENS (Woodbine): Good old free enterprise.

MR. SPEAKER: Order.

MR. MILLARD: The only thing which stopped unemployment was the war effort, the manufacturing for the war services, and that did give us, during the war period, and for some time afterwards, in order to catch up on our domestic requirements, a period of what might be termed "full employment". But today that situation is changing, and changing rapidly, and no one can suggest that it is due simply to the seasonal lay-offs, because the figures this year, compared with the figures of the same time last year, are grave, indeed.

I was forced, the first two days of this week, to be absent from this House. I was down in Newfoundland, because of the unemployment situation, which has the provincial

government and the Federal government greatly worried, and I looked into store windows, and I saw the goods manufactured in good old Ontario by the General Electric plant, refrigerators, electric kettles, and irons, and so forth, but when you have 14,000 unemployed in a pocket in St. John and Belle Isle, you have not good customers, because they are not going to buy any of our products, manufactured in this province.

MR. FROST: May I ask the hon. member (Mr. Millard), if that situation is not caused by local conditions brought about by exchange difficulties, which again were brought about by Confederation? Is that not part of the adjustment which came about by that political condition? At that time they were dealing with the markets abroad, but on the other hand, there are balancing items which are in favour of Confederation with Canada. It is an unusual situation, is it not?

MR. MILLARD: All I can say, Mr. Speaker, is that I am not an expert, and I cannot answer the question put by the hon. Prime Minister (Mr. Frost), and all I am trying to emphasize is this, the fact that this unemployment situation is with us, and it is desperately serious. It is going to lead to uncontrollable situations, unless drastic measures are taken to meet that situation, and there have been no drastic measures suggested, either in the Speech from the Throne, or in the debates, so far this Session.

Mr. Speaker, one of the reasons why I want to emphasize this unemployment situation is because I know from my own personal experience what it does to "old man Ontario"; what it does to the people; what it does to their future; what it does to their hopes and to their faith in our way of living.

And I want to suggest to the hon. members opposite that if you are afraid of Communism, if you want a system of free enterprise, then free enterprise and our democratic way of living has to prove that it is capable of giving employment to these people who wish and require work.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: You cannot have it both ways. You cannot say that everything is rosy, and "the goose hangs high"; you cannot say that because of this administration, everything is moving along, we are paying our way, we have a buoyant revenue, and then neglect the very evidence of the difficulties with which we are confronted in this province at this time. You cannot tell the people in the small western towns that they should be laid off. Most of them are returned men, men who have failed to get their proper standing. They went overseas and fought for free enterprise, and for our way of life, for four or five years, and how are you going to tell these men now, "Wait until spring; wait until the road program comes your way in your particular section"? They are losing their homes; they are out on the street; they have no prosperity, and no prospects for prosperity; they have no hopes for the future, and we have forgotten the promises made to them when they left our province to go over and fight. We are denying those things to them today. What are we going to do about it? Are we, as legislators, members of the government and opposition, going to just shrug this thing off?

I listened with a great deal of interest to the hon. member for Huron (Mr. Pryde) who spoke to us the other day. I have a very high personal regard for the hon. member (Mr. Pryde). I think he is one of the finest hon. members in this House.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: I listened to his speech with a great deal of interest, but for the life of me I could not understand his reasoning.

Page B-7 of Hansard of March 3, which we have, the hon. member for Huron (Mr. Pryde) is on record as saying:

> "We on this side of the House take second place to no one in our desire to alleviate human sufferings and want. Possibly all of us would like to help these people, but we do not go down there at night -- "

meaning, the Fred Victor Mission, I presume,

> " -- I do not think that it is the direct responsibility of this government. We feel it is somebody else's business."

Well, Mr. Speaker, that is exactly the way we talked in this Legislature, and through this province, in 1933, in 1934, and 5 and 6 and 7 and 8; exactly the way we talked. It was somebody else's business. It was the municipalities' business; it was the federal government's business; it was not ours. Adn we are talking that way again, in the light of the present circumstances.

Thus I say I cannot understand the hon. member (Mr. Pryde) reasoning, because he immediately proceeds to the situation affecting the farms, and he says, on page B-9 of the March 3rd Hansard:

> "The cancellation of the British contract will have great effect. We cannot do a great deal about it, but I appeal to you, as individuals, to go hom and also to speak to your friends, to eat at least one more egg per day."

I wish he would go down to the Fred Victor Mission, and tell

them that they should eat one more egg per day, instead of getting, as they do get, a bowl of soup.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: That is specious reasoning, and, as far as I am concerned, I cannot understand it.

Mr. Speaker, I am sure you will be sympathetic, and many hon. members opposite will be sympathetic, when I say that the question posed by the hon. member for Huron (Mr. Pryde), "We feel that it is somebody else's business" is the age-old question that has been asked from the beginning of man's history. The answer has come back, "No, it is somebody else's business; somebody else's responsibility".

Well, I feel a great deal of responsibility for this situation; a responsibility, as I say, which took me a night's travel backward and forward to get down to Newfoundland, and try and do something about a particular situation, a pocket of unemployment.

I might say that we met, and received very prompt attention from the hon. Prime Minister of that province, (Mr. Smallwood). We were received in the Legislature. We had a meeting with the hon. Prime Minister (Mr. Smallwood), who was anxious to do something about it, who got on the telephone and talked to Ottawa, and asked them to do something about it, and I feel we found at least a partial solution to the problem, and I think if we had the will to do that in the province of Ontario we could find at least a partial solution here.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: Mr. Speaker, I would like to say that this old province today is spending on public works one million

(page D-7 follows)

dollars every working day -- perhaps more than that, on Sunday and holidays in addition.

The hon. member (Mr. Millard), I may just point out to him, has made reference to the hon. member for Huron (Mr. Pryde). He takes what was said entirely out of the context, but that is his way of doing business.

Let me point out to the hon. member (Mr. Millard) that the hon. member for Huron (Mr. Pryde) was referrring to the fact that we should all pull together in the jobs we have. The municipalities have one job, the province has another, and the Dominion has another. We are all anxious to provide work and wages for our people, but it is a question of co-operation.

I can tell my hon. friend (Mr. Millard) that I have spoken to the Federal authorities several times; in fact, I say the Hon. Minister of Finance (Mr. Abbott) just the other day, and I assured him we were as close as the telephone with the Federal government in dealing with the problem in Ontario, and I will not let the hon. member (Mr. Millard) pull the wool over anybody's eyes, in connection with that problem.

MR. MILLARD: Mr. Speaker, I am not trying to pull the wool over anybody's eyes.

MR. FROST: Oh yes you are.

MR. MILLARD: And I am not trying to take anything out of the context. I am trying to deal with this problem realistically, and I am quite prepared to let the unemployed decide between the position taken by the government, and what I am saying.

Now, I would like to refer for a few minutes to this question of housing, which was referred to in the article by Dr. McCann.

In the Speech from the Throne, we are acquainted with

the fact that the government has interested itself in the housing program ot the extent of issuing a great many millions of dollars as backing for second mortgages. We have been told since this session started, and legislation has been placed before the hon. members, and has received approval from all sides of the House, which is intended to initiate a further building program, and we are asked to tell ourselves that this is the complete responsibility, discharged by this government on the housing crisis, and the housing problem, and what that means to the people of this province.

Mr. Speaker, this comes quite appropriately next to the problem I have just been discussing, and follows very closely on its heels, because, as well as having unemployed people in this province, we have a lot of unemployed capital in this province, from people who want to loan their money out at interest rates, and the people who have connections with bond houses, who over-subscribed a Hydro issue. Of course, there is a little commission to the bond houses, amounting to some $500,000. or $600,000. for handling the business, but it is not put on the public market, to see whether we might get a better proposition out of it, but by paying a premium, and we hand it out to people who have this money to invest.

I say that all the government has done regarding the housing problem is to make it easier for a lot of people who cannot afford it, to go into debt.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: That is what they have done. They are placing the resources of this province behind a scheme which will put a yoke of interested debt around the necks of a lot of people, who will never pay for these houses, simply

in order that they might find a place to live.

MR. FROST: Is it your idea we should print the money?

MR. TEMPLE: Build houses and rent.

MR. MILLARD: I am satisfied that this government, with the government at Ottawa, should share the interest in this question, and secure money at a very much lower rate.

MR. FROST: Mr. Speaker, may I saw that long-term money at Ottawa is costing them about three per cent, and we are borrowing money ourselves at about three per cent.

MR. JOLLIFFE: Not less than four and one-half per cent.

MR. MILLARD: What I think is that this housing program, so-called, to meet this housing problem which is desperate in many cases, is going to mortgage the future of a lot of people who are not going to be able to pay for these houses. They will go on for years paying tribute to the bond holders and coupon clippers --

MR. FROST: Does the hon. member (Mr. Millard) know who the "bond holders and coupon clippers are"? May I say to him, Mr. Speaker, that there are thousands of little people in this province, widows and orphans, people of that kind, who are investing in this scheme.

MR. MILLARD: The old story, that is about old enough to vote.

MR. FROST: All right, go and investigate and find out who invested the money.

MR. MILLARD: They must be twenty-one years of age, anyway.

MR. FROST: My friend likes to indulge in a lot of vapourings. The money comes from the savings of the people.

MR. JOLLIFFE: Mr. Speaker, I rise to a point of order. When we hear "vapourings" from the government, as we did, we restrain ourselves most of the time. We do not find it necessary to get up about every 35 seconds.

MR. MILLARD: My reason for drawing attention to this is that I think a lot of people are taking advantage of the situation, to protect the men who want to loan their money at high rates of interest.

MR. FROST: Just pure nonsense.

MR. MILLARD: That attitude on the part of the hon. Prime Minister (Mr. Frost) and the government toward this whole problem, I think needs a little investigation, which will prove that fact.

We have an unemployment situation, so what do we suggest? We do on the money market and borrow hundreds of millions of dollars to build houses in this province; and go out and provide a method which takes the surplus money, and makes sure the credit of this province is behind that browwoing. We go into debt, as we did in the 30's. We go into debt to the bond holders, so the day comes when we reach the finish, and when we go back to the situation we had before.

We have the Hydro situation, where most of the money that is now being needed for Hydro work is borrowed money, on which we will have to pay tribute from here on out.

MR. FROST: Mr. Speaker, may I say to the hon. member (Mr. Millard) that we are borrowing the money at the present time on half the rate which applied after the last war.

Where does he think we get the money from? Print it? After all, we are getting money at the lowest rate of interest which has ever been obtainable in this province.

MR. MILLARD: Now, the hon. Prime Minister (Mr. Frost) has suggested the question of where we will get the money from. I suggest there is one way you can get more money. Do like the government of Saskatchewan did. You could put insurance premiums for cars which would give you a lot of money, and save the people a lot of money on insurance on their cars.

MR. FROST: Yes, and they put up shoe factories out there, too. So they made on the peanuts what they lost on the bananas.

MR. MILLARD: You could lower the cost to the people of a lot of things. You could build houses by supplying cheap money at a very great saving to the people, and you can save to the people on the building of schools --

MR. FROST: Where we will get the money cheaper than we are getting it at the present time? Will the hon. member (Mr. Millard) tell me that?

MR. MILLARD: Money saved is the same as cheaper money. There are lots of places where the government, if they had a mind to, could make money out of public enterprize rather than giving it to charity institutions. You could get some money, if you wanted to.

MR. FROST: You are awfully hard to please. We are making money under the Liquor Control Act, and yet the hon. member for High Park (Mr. Temple) gives us "the blazes" for doing that.

AN hon. MEMBER: There is too much water in it anyway.

MR. FROST: We cannot do anything to please you.

MR. MILLARD: Mr. Speaker, I am afraid this government has a general policy of "let the people pay". When it came to the question of protecting our interests in connection with the increase in telephone rates the government is conspicuous by its absence. When it came to the question of keeping the Hydro rates down, they said "let the Hydro go; we must have the change-overs, and we must have these things -- "

MR. FROST: Mr. Speaker, will the hon. member (Mr. Millard) please tell me how in the world Hydro can pay higher wages and higher costs for materials, and all the things which run up its figures, and still keep the rates down.

MR. MILLARD: You cannot keep cost down by hiring private companies at very fine fees --

MR. FROST: May I say, Mr. Speaker, that most of the work being done on Hydro is one by Hydro itself, not by contractors.

MR. JOLLIFFE: Have you ever heard of the Comstead Company? That was contrary to the recommendation of Stone and Webster.

MR. MILLARD: So it all comes to this question of costs, costs of building and costs of schools.

I do not want to take up too much time at this Legislature today, but I do want to try and clear up, if I can, some misunderstanding which apparently have developed in the minds of some of the hon. members. I have a very high regard for the hon. member for Wellington North (Mr. McEwing), and I say some of the remarks which the hon. member made in this House were most unfortunate in respect

to the relationship between the farmers and labour. I suggest to all hon. members we ought to be working to bring these two large groups of the population ever closer together, and not be expressing unfounded opinions, not based on facts, driving those two groups apart, or trying to create prejudice and enmity between them.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: Some things have been said in this House regarding the Steep Rock mine. I am sorry I cannot agree with the genial hon. member for Rainy River (Mr. Newman). I did not have the opportunity of hearing the hon. member for Bellwoods (Mr. MacLeod), but I took time out to have a little bit of investigation and survey made of the Steep Rock situation, and the results, I can assure every hon. member here were most illuminating and most interesting.

Here is a natural resource of this province. Here is a resource that was almost coveted by the great nation to the south of us; here is a resource under the necessity of war, and for war production great sums of money were subscribed, at the request of a private corporation in the United States, not Canada. And so we get the amazing result, where the provincial government comes to the assistance, and makes I think a very fine agreement to the advantage of the Steep Rock corporation, where the government in the United States lends $10,000,000., and where the government of Canada lends $5,000,000., and where they spend a great deal of money in rolling stock and equipment, and where they built ore-loading docks, all for the development of a private corporation.

What is the result? I am not going to read the entire agreement, but I assure the hon. members of this House that

the agreement sells off a natural resource of Canada, under the nominal control of a Canadian company, completely into the hands of a corporation in the United States, which takes the big end of the profits out of this country.

In return for the above agreement, Steep Rock sold to the Premier Iron Mines in the United States, 1,436,000. shares of treasury stock at the nominal price of one cent per share, and with the application of Canadian labour, at a substandard rate, for miners, and all the hazards which that entails. Some day they are going to uncover the shovel and operator who was covered with a slide of ore. There are Canadian boys who endanger their lives for this development, and at substandard rates of pay, but this company, by the manipulation of its stock, handed to the parent company in the United States a sufficiently large holding to enable them to control it, and sell its shares at the nominal price of one cent per share. Figure that out for yourselves. $14,360. was paid by the United States for complete control of the situation, the very company which this Legislature, through the government, made an agreement last year, --

MR. FROST: Mr. Speaker, let me say this to the hon. member (Mr. Millard). I like to keep him on the track. I did not mention to the hon. member for Bellwoods (Mr. MacLeod) at the time he raised the point, but for myself, and this government, we had nothing to do with the original financing of the Steep Rock company.

MR. MacLEOD: That is right.

MR. FROST: It was done when the hon. members opposite were sitting over here.

MR. NIXON: You made a new agreement with them last

year. The original agreement did not tie your hands.

MR. FROST: You are getting excited.

MR. NIXON: You are the one who is getting excited. You like to shelve the responsibility off onto somebody else.

MR. FROST: The early agreement goes back to the years 1940 or 1941. They, of course, lay stress on the fact that the treasury stock was sold at that time, But do they realize that the best stock was used for bonus purposes in order to get additional money? It is quite true that the American company, the R.F.C., I think, put up $10,000,000. or $15,000,000. in that proposition, but there was a huge amount of money obtained elsewhere for the purpose of financing that corporation, and the stock to which the hon. member (Mr. Millard) refers was used for bonus purposes, in order to attract the public in the United States, into that proposition.

Mr. Speaker, let e say that here is our position in this province; here is where we stand. The money could not be obtained in Canada. There is no question about that. The money was obtained because the American government recognized there is a shortage of iron ore on the American continent, and they entered into an agreement at that time, through the R.F.C., back in 1940 or 1941, and advanced money which otherwise would not have been obtained.

MR. JOLLIFFE: There was millions of Canadian money went into this development.

MR. FROST: The trouble was, it was not obtainable. On the other hand, let us see what we have in Ontario. That deposit has been known to exist for at least forty years under Steep Rock lake --

MR. MacLEOD: Sixty years.

MR. FROST: Yes, sixty years. But it costs to much to uncover it, that it was allowed there for sixty years. We have had up there iron ore, which we have been unable to make available to the people of Ontario. When this is finally developed, I forecast a development at the lake head, and other places in Ontario, in the fabrication of steel.

All that is wrong with the hon. member (Mr. Millard) is that he is living in such a profound gloom, that he cannot see ahead of him at all.

SOME hon. MEMBERS: Hear, hear.

MR. W. J. GRUMMETT (Cochrane South): Whose speech is this?

MR. SPEAKER: Order.

MR. MILLARD: I appreciate the question, Mr. Speaker.

SOME hon. MEMBERS: Oh, Oh.

MR. FROST: I like to keep the hon. member (Mr. Millard) straight.

MR. MILLARD: I would like to remind the hon. members that I was at the point of saying that this manipulated stock resulted in 1,436,000 shares of treasury stock being issued at the nominal price of one cent per share, and this has paid handsome profits to the Premier, as the stock now has a market value of $3,500,000., or $2.43 per share.

MR. FROST: That is right.

MR. MILLARD: Now, by the application of Canadian labour, and by the development of a Canadian industry, Ontario's resources have given to this corporation abroad -- abroad -- this great value, this strangle-hold on those resources.

Now, what happens to the Canadian company? What happens to Canadian interests in the situation? Well, it is

interesting to note, that from the information which I have here, it shows that the price per ton of ore received was $7.27 under the agreement this company had with the United States, and under that agreement it has the sole right to sell that ore. It is not sold to the Canadian steel mills; it is sold to whatever steel mills these interests in the United States wish to sell it to. They have the sole right of selling it.

Transportation and selling costs are $2.73; the operating costs per ton are $2.38, and the operating costs include the Hydro rates, the wages, and everything that goes into the development of the iron ore, getting it to the surface, and getting it to the lake head.

Here it is. $2.38 out of the selling price of a ton of ore, and the freight charges per ton were $1.28, and this company is receiving a subsidy from the Federal government of twenty cents per ton on the freight costs, and the selling charges.

The Commission by the company in the United States if $1.46, or twenty per cent of the sale price of this iron ore.

I ask this government to tell me if they think that is good business for Canadian industry, and for Canadian labour, or is it just a matter now of standing behind free enterprise in whatever they do in the situation? Are we going to subsidize free enterprise to that extent? Will that be the policy of the government opposite?

If I were permitted, I could read into the record the entire story. It is, in my opinion, a very sordid one, after all.

MR. DUNBAR: Mr. Speaker, would the hon. member (Mr. Millard) permit me to make a statement, and tell him a little

story about Steep Rock. I was sitting, in 1938, in the seat the hon. member for Parkdale (Mr. Fell) is sitting in now, when the hon. member representing Fort William, the late Mr. Spence, brought a large piece of ore into the House, and demonstrated to the House what it meant to the country. It was Steep Rock ore, from Atikokan, and he asked me if I would like to buy some shares. You mentioned a price of one cent per share. I bought one thousand shares, and I paid ten cents a share for it, and I still have it, so Eaton only beat me out by nine cents.

(Take E follows)

MR. MILLARD: Well, that is a nice bedtime story, anyhow.

MR. DUNBAR: Which shows that Eaton did not get all the stock.

MR. MILLARD: Furthring my point, Mr. Speaker, that I am trying to make about the unfortunte remarks that have been made as between the farmer and labor, I would like to draw the attention of this House to some rather startling developments that are happening in this country. I have here a table showing a number of things and I would like to give the source, the source for profits of the big three in the annual reports of the corporations concerned, the steel industry profits by the Canada and the price increases by the Wartime Prices and Trade Board and the Dominion Bureau of Statistics. I think this informatiom is absolutely authentic and on be checked at any time any hon.member would wish to do so. I would like to put this on record because ithas been indicated a number of times in this House in the course of this debate that because wages go up that there is a corresponding increase of the cost of living which affects the farmer and the products that he has to buy. Well, this tells the story. The estimated price of a ton of steel---that is, you have to take number of different types of steel together---in 1941 was $47.97 and in every case before a wage increase received there was a price increase received by the Steel Company. In 1946 the Steel Company received $8.50 per ton on an average inthe increase in the price of steel. In 1947, though their profits were excellent, they took another price increase of $7.34. In 1948 they took anotherprice increase of $8.20 and in 1949 though their profits were exorbitant at this time, they took another increase of $5.00 a ton, not because of the wage increase, but because they were determined to make more and more

profits. That is the situation and when that steel went to the manufacturer of farm implements, or secondary good, washing machines, with the price paid by the farm implement to manuf acture or the washing machine manufacturer and these price increases go to the basic steel were passed on to the wholesaler, to the retailer, to the customer, until the people paid an enormous cost because of the price increases. I will leave it to the hon. members whether these price increases were justified in view of the wage situation, in view of the profit situation, in view of the reserve situation. Soundnessof this corporation will I think give you the price increase in a ton of steel. The rates in the Steel Company of Canada in 1941 was 46½¢ and down throughthe years to 1949 it has increased to $1.04, or 124% of an increase. The profits, the netprofits in the same period of time have only increased 68%. It is rather startling to see what happened overthe last two or three years. In 1947 and 1948, in that period, the wage increase of 11½¢, a 14% wage increase, but the profits in that same period of time increased 34%. They went up from $5,568,000 to $7,461,000.

We take the Algoma Steel Corporation. We have heard much about that in this House and the wage increase went from 49½¢ including cost of living bonus in 1941 to $1.04 in 1949 and that was an increase of 110% inthe wage increase over that period of time. However, in the same period of time the profit position of that company developed from$912,000 to $4,036,000 or an increase of 342%.

We go on to the Dominion Steel and Coal Corporation, the corporation I referred to a few months ago and again the wage increase for the entire period was 104%. The wage increase in 1947 to 1948 was 14%, as it was in Algoma. The net income of this company increased 360% in the same period

of time and while wages went up 14% in 1947 to 1948, the profits of that corporation went up 188% in the same period of time.

So, take the steel industry as a whole, take a look at it before taxes, the gross profits went up from $30,000,000 to $51,000,000, or an increase of 70%. The working surplus, reserve surplus for these corporations increased in the same period of time 200%; in addition to the regular profits they had a better, sound position so far as their working capital was concerned and then the net to shareholders is a tremendously interesting thing, because, in that same period of time wages went up 104% and 110%, the shareholders received an increase of 138%.

I say to the hon. members who represent farm constituencies---the hon.member for North York (Mr. Mackenzie) mentioned one corporation, a manufacturer of arm implements, the Massey-Harris Corporation and we were told in this House that labor was getting lazy. I think it was a grievous insult to labor, particularly in view of the results of this particular corporation. Here are the results of the operations of the Massey-Harris Corporation for the years 1948 to 1949 which are the last financial records available to us. The net income or the sales of this corporation, the Massey-Harris Corporation, in 1948 were $132,000,000. However, in 1949 the prices had been increased and advanced to such an extent that they received $160,000,000 as against $132,000,000. The net income, Mr. Speaker, was $8,376,910 in 1948 but by 1949, one year later, it had increased to $13,367,416. The earned share of common stock on each share had increased from $6.70 to $9.71 in one year.

MR. SALSBERG: That does not include the reserves and they are big.

MR. MILLARD: No, and the net working capital increased from $53,000,000 to $67,000,000. Mr. Speaker, my reason for giving these figures to this Assembly here today is to try to set at rest any ideas or misunderstanding that because the workers are getting wages increases that they are responsible for the higher cost of living. You have the answer in that set of figures and the figures for other businesses could be compiled just like that.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: I want to suggest very humbly, Mr. Speaker, if it was not for the wages that labor has been able to extract in this situation we would not be in a position to pay decent prices to the farmer for his products.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: I hope that never again in this Legislature will there be any attempt made to try and divide these great producers, farmers and the factory workers in this province. They belong together, their interests are almost identical.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: Before passing on to the general question of education, I want to deal very briefly with this question of liquor. With great respect, I would like to address my first remarks to the hon. member for Durham (Mr. Foote) and I am sure he will not take it in any offensive way on my part because I do not wish to be disagreeable but I want to ask a question and I would like to remind him of what he said last year. According to Hansard, page 976 and 977 of last year, thehon. member (Mr. Foote) is reported as follows:

"I won't be much longer. Nearly everyone across the way has said something about the liquor question, and

I have read in the Temperance Advocate that the three inisters of this House are expected to speak. This desk has been compared to a pulpit where our voices will be heard throughout the country. Well, the Hon. Speaker (Mr. Davies) is ruled out from expressing his opinion, but I have no hesitation in expressing mine.

"However, I remember this, that I am not sent here to produce the kind of legislation which would suit me alone. Now, it does not take me long to make up my mind what I would be satisfied with, but have I any right to bring that legislation before the House?

"This is my idea of the liquor question today. If I had my way, I would abolish all sources of outlet for liquor, beer, wine or spirits except through the brewery warehouse and the government liquor store. I do not think that would be a narrow prohibitionist way of doing things.

"SOME hon. MEMBERS: Hear, hear.

"MR. FOOTE: However, that is my own opinion, and it is something I want to give more thought. I realize that for a private member to bring in a bill like that would mean that, although it is not a money bill, it is a bill which would drprive the government of a certain source of revenue. I want to give it more thought, and if I am convinced that would be the best thing to do, I would have no hesitation in bringing in such a bill.

"Moreover, I am permitted, and I am in a position to say for the benefit of the temperance advocates that I would be seconded in this bill by the hon. member for Dufferin-Simcoe."

In the course of a moment or two I would like to ask that in view of the fact that a year has passed and the hon. member (Mr. Foote has had certain advantages from an appointment to an office, I would like to ask, does he still subscribe to this approach to the problem? I would also like to ask him whether or not he feels that we can handle the liquor problem purely on th questionof financial return it is making to this particular provece at this time.

I have here, Mr. Speaker, something which may be of immediate interest to you, he (Mr. Foote) and to the other hon. members of this House. It is a copy of the Detroit Free Press dated Wednesday, March 15, 1950. I believe it would be, in view ofwhat was said yesterday and previously in this debate, what has been stated publicly by the spokesman for the government in regard to this great question of liquor and in view of some experiences I have had myself during the past year, to place before the honl members and in the record this particular article which appearsin this paper. It is names, "One of Windsor's Vice Haunts." "Hangout for Bookie Hustlersnd Numbers Writers, Prostitutes frequent the place too." This place is called the St. Clair Tavernlounge and I believe the address is given as 66 East Wyandotte St., Windsor, and onthe back of the paper we have a written receipt, a numbers bet receipt sold openly in Windsor, in this particular tavern. Here is the report of the reporter of the Detroit Free Press:

"ILLICIT BUSINESS THRIVES IN BORDER CITY TAVERN

"One of the popular drinking spots in Windsor is the St. Clair Tavern lounge at 66 E. Wyandotte.

"It is a modernized place, nicely appointed inside and usually busy.

"At the St. Clair you can get a glass or a bottle of beer, mixed drinks or straight liquor.

"You can also place numbers bets, meet prostitutes and contact bustlers for Windsor bookies there.

"And all with the knowledge, consent and even assistance of some of the bar's employees.

"The bookie contact men and drivers are as thick as flies and as busy as beavers.

"We asked a waiter at the back end of the bar for a bookie hustler. He referred us to a tall fellow wearing a snap brim felt hat and fawn-colored overcoat. His name is 'Jack'.

"Jack greeted us cordially, bought a bottle of beer and sent us out to the bookie at 1770 Parent with one of the drivers. They also run a blackjack game there.

"Before leaving the St. Clair for the bookie, we placed numbers bets with a thin-legged young woman wearing a cheap fur coat and a feather for a hat.

"She was going from table to table writing numbers bets with her receipt pad in full view of everybody.

"On another occasion, we asked 'Joe,' one of the waiters for 'the girl'who writes the numbers bets.'

"'She'll be here a little later,' he told us. And she was.

"The first time we went out to 1770 Parent we were driven out by a blond fellow with horn-rimmed glasses.

"On another occasion, Jack told us 'Alec' would drive us out when we were ready to go.

"We ordered a bottle of beer but were not allowed to pay for it. Jack had given the nod to the waiter that it was on him.

"One character wearing glasses, a tilted felt hat and a gabardine topcoat, kept walking in and out of

the St. Clair.

"He seldom stopped to talk to anybody. Never sat down and bought or took a drink for that matter. He just walked.

"In and out, in and out. He'd walk slowly around inside the place, peering intently at everybody, and then walk out again.

"We asked 'Sylvia' about him. Sylvia told us he had been fired recently by one bookie for not hustling enough business.

"He had lined up with another bookie, Sylvia said and was working hard to keep his job.

"Sylvia is one of Windsor's entertainers.

"We asked Jack about 'the girls.'

"'Sure,' Jack said. 'There's lots of 'em. Remember Sylvia? She was in here yesterday. She'll be in after a while and I'll bring her over.'

"He did. We talked things over with Sylvia over a bottle of beer.

"We told Sylvia we were over in Windsor for a big time.

"We told her we had already visited two bookies and asked if there were others.

"Sylvia laughed. 'There's at least 30,' she said."

(page E-9 follows)

MR. FROST: May I ask the hon. member (Mr. Millard) who is speaking about the Windsor situationand some other situations, that at the moment there is an enquiry into the operation of the Windsor police force. The hon. member for Essex North(Mr. Ellis) could enlighten the hon. member for York West (Mr Millard) about that because he is on the city council there and he knows about the inquiry that is taking place.

MR. NIXON: Who is taking it?

MR. FROST: Well, there is an enqiry the Police Commission is taking, an enquiry by them at the present time. If there is any doubt about this situation that we have already served notice some time ago to municipalities that if they are not prepared to enforce thelaw, then we are going to enforce the law with our provincial police force and we are going to stop grantsto the police departments of citiesthat do not do their jobs. Furthermore, we are going to stop the revenues they get from our outlets in those cities. That perhaps willhelp the hon. member (Mr. Millard) to understand. That is the situation and we are putting it right on the line.

HON. G. A. WELSH (Provincial Secretary): Mr. Speaker, when the hon. member (Mr. Millard) was stopped, I did not get thename of the place he mentioned but I might say we have had our inspectors in Windsor for some time and the place in question, if it is the one I was thinking of, was closed the day before yesterday.

MR. MILLARD: I would like to remind the hon. Minister (Mr. Welsh) that this is dated yesterday in Détroit and apparently as a result of a recent investigation made privately and there must be something wrong with your inspectors if they take all that time to find out something

that was going on so openly in the city of Windsor.

MR. WELSH: The question would be, what is wrong with the local police in Windsor. My inspectors are not police officers.

MR. MILLARD: Again, we have the "old buck passing." We now have a "get tough" policy announced by thehon. Prime Minister (Mr. Frost).

MR. FROST: There willbe no "buck passing," Either they do the job or we will.

MR. G. E. ELLIS (Essex North): Mr. Speaker, may I say a word? I would like to point out to the hon.members that while this maybe a condition existing in some places in Windsor, it is not general, not withstanding the fact that the Toronto papers and perhaps the Detroit papers are trying to create that impression. There is a police investigation going on in the city of Windsor today and I think they will either clean it up if it exists the way we have beeninformed or else there will be steps taken to bring it to a halt in a proper way.

SOME hon. MEMBERS: Hear, hear.

MR. ELLIS: I would like to say that you do not haveto go to Windsor for this condition, it is right here in Toronto, too.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: I have heard it said that confession is good for the soul and that is what appears to be bothering the hon. member (Mr. Ellis) at the moment ; My only reason, Mr. Speaker, for bringing this to the attention of the House is that it seems to me that the policies thathave been adopted have resulted in a good deal of failure in regard to the control of the liquor business. It seems to me that this House cannot at one time accept the revenues and apply

them to good use, so-called educational purposes, when so many responsibilities go with this business--

MR. FROST: Does the hon. member (Mr. Millard) know we are giving our revenues from sales in Windsr to the city of Windsor and also subsidies to the city of Windsor? If they do not want to do that, we will take over the job.

MR. MILLARD: Mr. Speaker, it worries me a bit that every time we start to deal with these very important and fundamental questions we are told about the money angle. Every time. The only way to handle the situation is to cut off the grants and that is going to bring these people to heel. Frankly, I do not consider that an answer to the problem. You have inspectors and it is obvious these inspectors are not doing their jobs because they could have found that out just as the reporter did.

MR. PORTER: What about the Windsor police?

MR. WELSH: My inspectors go in and make reports to the police. As I said before, they are not police officers.

MR. B. E. LEAVENS (Woodbine): Do they not report to you?

MR. W. DENNISON (St. David): Why not cancel licenses?

MR. SPEAKER: Order.

MR. MILLARD: Mr. Speaker, I am not going to burden the House with the rest of that article. It is a very sordid proposition and I think it gives this province a very bad reputation. I think this government must assume some responsibility for these conditions if they are going to stand behind private enterprise, private profit making on this drink traffic then they must assume the responsibilities of law enforcement and all that goes with it. You are the people getting the money, we are the people earning the revenues. We must assume the responsibilities that go withit and I would like it if the

hon. member for Durham (Mr. Foote) would tell me at some future time, when the proper opportunity permits, whether or not he has changed his mind as to the total government control, including the outlets. After some reflection, has the hon. member (Mr. Foote) changed his mind?

Also, I would like to bring another phase of this problem to the attention of the hon.members. I have just mislaid the letter, but some little time ago I addressed a letter to the hon. Minister of Education (Mr. Porter) in which I gave him the very popular demand expressed by the home and school clubs association, expressed by the Women's Council, the Women's Temperance organizations, the women's institutions of this province, the farm women. I asked the hon. Minister of Education (Mr. Porter) if he had done anything about an educational program and the question of liq or, but, again, I got the same evasive answer, that it would be given consideration. Now, Mr. Speaker--

MR. PORTER: Does the hon. member (Mr Millard) wish me to advise him what is being done today? Perhaps I could do that later. The hon. member (Mr. Millard) does not seem to know.

MR. FROST: That is all being done, you are not up to date.

MR. MILLARD: All I was told in that letter was, it was under consideration but I would like to point out that the province of British Columbia is well in the lead in this regard. They have made the necessary inquiry, there is no need for long years of research such as suggested by the director of the Liquor Control Board (Mr. Foote).

MR. J. W. FOOTE (Durham): Who suggested long years of research?

MR. MILLARD: Mr. Speaker, I would like to reply to the

hon. member by saying the research director himself said it would take some years.

MR. FOOTE: Did he say long years?

(Take F follows)

MR. FROST: That is the only thing you have to hope for.

MR. W. J. GRUMMETT: (Cochrane South): Some hope.

MR. MILLARD: And that brings me, Mr. Speaker, to this question of education. And again we take the attitude in this hon. Legislature that we spent sufficient money by way of grants, and the sonstruction of schools, that we have got a good educational system in this province. Itthink it would be well, in spite of it taking much longer than I have anticipated, if we reminded ourselves, that on the 21st of March, 1945 we had the appointment of a Hope Commission ,a Royal Commission on Education, and I would like to make it as a matter of record, to refresh our memories, because there was a good deal of fanfare about it at the time, that twenty-one outstanding Canadian citizens here in Ontario became members of that Commission;

The Hon. Mr. Justice John Andrew Hope, Toronto

Marshall Archibald Campbell, Toronto

Vance Chapman, Port Arthur

William Henry Clarke, Toronto

Charles Richard Conquergood, Toronto

Edward Fawcett Henderson, Toronto

Mrs. J. Houck, Brampton

[illegible]: Is that any relative of the hon. member for Niagara Falls (Mr. Houck)?

MR. MILLARD: Yes, it is a sister-in-law.

HON. DANA PORTER (Minister of Education): A fine Commission.

MR. H. C. NIXON (Brant): What is the point of that?

MR. MILLARD:

Arthur Kelly, Toronto

Mrs. R. J. Marshall, Toronto

Norman McLeod, Toronto

AN hon. MEMBER: Is that any relative of the hon. member for Bellwoods (Mr. MacLeod)?

MR. MILLARD:

Fred Molineux, Hamilton

Dr. R. J. Neelands, Kirkland Lake

Mrs. Ryland New, Oakville

Joseph M. Pigott, Hamilton

Loftus Henry Reid, Toronto

Charles Rupert Sanderson, Toronto

Miss Helen Sheppard, North Bay

Dr. Sidney E. Smith, Toronto

Henri St. Jacques, Ottawa

Rev. Canon William A. Townshend, London

Dr. William L. Whitelock, Hamilton

MR. MILLARD: My reason, Mr. Speaker, for putting these names on record at this time is to point out that we were told at the time of their appointment that they were given wide terms of reference --

MR. FROST: That is right.

MR. MILLARD: -- to make an enquiry, that these people were eminently fitted --

MR. FROST: Are they not? Is there anything wrong with that?

MR. MILLARD: -- to do the job, and we were told as late as last year in the Legislature by the hon. Minister of Education (Mr. Porter), speaking for the government, that they had no intention of acting in regard to these matters on any piecemeal basis, but would wait until this report was available in its entirety.

MR. PORTER: The hon. member (Mr. Millard) is entirely wrong.

MR. NIXON: He is not.

MR. PORTER: I assure you I will read my very words.

SOME hon. MEMBERS: Oh, oh.

MR. MILLARD: Mr. Speaker, I wish that remark to be removed, because Hansard proves I am right.

MR. PORTER: I will read Hansard myself.

AN hon. MEMBER: Can you read?

MR. MILLARD: You read it on your time, when you come to it.

MR. PORTER: Just a minute, now, I will read it when I get to the subject.

MR. NIXON: That is better.

MR. MILLARD: We were told, I said, that there was not going to be any piecemeal approach to this situation. We were also told that the hon. minister (Mr. Porter) had no contact whatsoever with the Commission on Education, that while it was true there were two members of his Department working with the Commission, that he did not know what the Commission was doing in regard to these many matters. However, certainly after this House rose last year, the hon. Minister of Education (Mr. Porter) made a speech. Of course, he goes elsewhere to make this speech, one time to St. Thomas and one other time to Windsor. On April 16th, ten days or less after this House adjourned last year --

AN hon. MEMBER: Here we go again.

MR. MILLARD: The hon. Minister of Education (Mr. Porter) journeyed to Windsor to make a speech, and I would like to read to the hon. members the text of that speech. It is very short and it is found in an editorial of the Toronto Star, April 16, 1949:

"Education is due for a serious revision in the near future."

I say that a few days before that, the hon. members of this House were told that there was going to be no changes, certainly on a piecemeal basis, that we had to wait until we got the report. But a few days later, he said there was going to be a serious revision in the near future, and he continued:

"It is difficult to do, because you are always treading on somebody's toes. Many changes have to be made, but any change has its repercussions. Changes in system, can make or break a government, as has been found in the past. We have to be very careful, but we have to be bold."

SOME hon. MEMBERS: Oh, oh.

MR. MILLARD:

"We have to watch and steerin the future with diplomacy and courage."

MR. FROST: Well, do we not? at is wrong?

AN hon. MEMBER: Oh, you bold men.

MR. PORTER: I did not know I made such a good speech on that occasion.

AN hon. MEMBER: He did not read it, either.

MR. J. B. SALSBERG (St. Andrew): Accidents will happen.

MR. MILLARD:

"If those are not the words of a government which is trying to whip up its courage, while at the same determining--"

MR. FROST: Is that out of the editorial?

MR. MILLARD:

" -- that it is not going to do anything to offend

anyone, what are they?"

MR. FROST: Is that your speech or the editorial?

MR. MILLARD: That is out of the editorial.

AN hon. MEMBER: Why not make a speech, instead of reading?

MR. GRUMMETT: He is trying to make one.

MR. MILLARD:

"They constitute a declaration that the government will try to pick its way through the educational problem with one eye -- if not both closed -- upon votes."

I say that was on April 16th, shortly after this House recessed last year after the Session was completed. And then we have some other curious developments in this situation. I have here a copy of the Ontario Government Services, and I suppose the government would not seek to infer that it is not properly reported in this particular cases. I would like to quote one or two sentences from the governments' own statements, on this question, and this paper, by the way, is dated November 15, 1949:

"Ever since I assumed the office of the Minister of Education about one year ago, I have held sessions with respect to changes in the school curriculums".

MR. PORTER: That is right.

MR. FROST: That is quite right. What is wrong with that?

MR. MILLARD: I would like to know, Mr. Speaker, and probably the hon. minister (Mr. Porter) will let us know when he rises to speak in a few moments, I would like to know with whom he held discussions? The fact remains, and the hon. minister (Mr. Porter) knows it, that you had a committee

of the Rural Commissions on which there were inspectors and members of the Department of Education, working to bring in a recommendation on the question of curriculum changes to be recommended in the Rural Commission report. But that committee was not consulted by the hon. minister (Mr. Porter), the work of that committee was harpooned by the hon. minister (Mr. Porter).

MR. FROST: Oh, nonsense.

MR. MILLARD: Torpedoed. Blown up.

MR. FROST: Nonsense, nothing to it.

MR. MILLARD: I say today I would like the hon. minister (Mr. Porter) to deny that while this committee was working with the Royal Commission, on which there were members of the hon. minister's (Mr. Porter) own department, that the announcement was made of curriculum changes without any consultation either with the Commission or with the committee.

MR. FROST: Well, would you expect the Commission to --

MR. MILLARD: I am sure I would like the hon. minister (Mr. Porter) to tell me --

MR. PORTER: The hon. member (Mr. Millard) apparently asked a question. I am prepared to answer the question.

MR. FROST: You have come out of the fog.

MR. PORTER: Does the hon. member (Mr. Millard) wish me to answer?

MR. MILLARD: You will get a chance in a while.

MR. PORTER: Then the hon. member (Mr. Millard) does not wish an answer, is that right?

MR. MILLARD: Can you not answer it on your own time?

MR. PORTER: The hon. member (Mr. Millard) does not want an answer now?

MR. MILLARD: I do not want it now, I want it later.

MR. J. W. HANNA (Huron-Bruce): The hon. member (Mr. Millard), I think, has spoken long enough.

SOME hon. MEMBERS: Oh, oh.

MR. MILLARD: That is the first statement the hon. member (Mr. Hanna) has made with which I agree. The hon. Minister (Mr. Porter) says: "I have held discussions with respect to changes in the school curriculum"; possibly the hon. Minister (Mr. Porter) will be good enough, in view of this whole question of the Royal Commission and his statement to this House last year, to tell us with whom he held the discussions regarding these changes?

MR. PORTER: Mr. Speaker, I will deal with any of these, I will in my speech -- I do not have to answer the hon. member's (Mr. Millard) questions in my speech. The hon. member does not want an answer now.

SOME hon. MEMBERS: Oh, oh.

MR. PORTER: I do not have to answer.

MR. MILLARD: Because when you looked in Hansard you found I was right?

SOME hon. MEMBERS: Oh, oh.

MR. PORTER: No, I am going to read Hansard.

SOME hon. MEMBERS: Oh, oh.

MR. MILLARD: Then again, we have here some remarkable statements in this announcement regarding the hon. Minister (Mr. Porter) --

MR. PORTER: It was a remarkable speech.

AN hon. MEMBER: Who wrote it?

MR. MILLARD: I would just like to try --

MR. FROST: You have not yet discovered its full implication.

MR. PORTER: And it only took twenty-five minutes.

MR. FROST: It will all dawn on you later.

MR. MILLARD: The hon. Minister (Mr. Porter) is reported to have said that the "teacher supply in Ontario is very good at present,Mr. Porter said. 'We could not attempt the new program without good teachers,' he added."

MR. FROST: Hear, hear.

MR. MILLARD: The program's supply of teachers was very good -- well, here we have a few days later, the Royal Commission coming along.

AN hon. MEMBER: Here we go again.

MR. MILLARD:

> "The Royal Commission on Education, in a report released yesterday, recommended establishment of an emergency teacher training program to head off a shortage which is becoming acute and might amount to 8,000 teachers during the next ten years."

AN hon. MEMBER: A remarkable speech.

MR. MILLARD: Then we go and we find out, through this same interim report that was not going to be made and was made, in the Speech from the Throne that we are going to get another series of interim reports. Last year it was not to be on an interim basis.

MR. FROST: Oh, no. You should read the Throne Speech. It did not say that.

MR. MILLARD: That is exactly what it said.

MR. FROST: His Honour did not say that.

MR. MILLARD: It is exactly what he said.

MR. FROST: Oh, no.

MR. MILLARD: I do not know whether you wrote it or not, but that is what it said.

MR. E. B. JOLLIFFE (Leader of the Opposition): It is not outlawed yet.

MR. MILLARD: And here we have during the time the hon. Minister (Mr. Porter) said the teacher situation in Ontario was O.K., "the 1,100 persons are those holding Letters of Permission, commonly called 'permits' issued by the Department of Education to rural school teachers, who had either no professional training or had only middle school or lower standing. In these cases it has been found impossible to get properly certified teachers.

" 'Before submitting our recommendation we must state that any lowering of qualifications for entrance to the teaching profession is contrary to our convictions,' the commission said, 'but we must be realistic; in our opinion emergency measures must be instituted'." To meet the critical situation, but the hon. Minister (Mr. Porter) said everything is all right, no shortage of teachers, all in very good shape as far as teachers are concerned.

MR. JOLLIFFE: A shortage of knowledge.

MR. MILLARD: Then the Royal Commission on Education reports further:

> "If the deficiency in the supply of certificated teachers in elementary schools is to be overcome, every possible means must be employed to attract suitable persons to apply for admission to the emergency training scheme,"

In another spot in the announcement, we see there is going to be no change in the salary situation. And in

another spot we have the question about grants, and so recently, Mr. Speaker, we have had a change in the grant system, announced at the beginning of this particular Session. And it is announced in some of the editorials of the papers that these grant changes are to meet the situation of many needy municipalities.

MR. FROST: That is right.

MR. MILLARD: And we have an editorial in the Toronto Daily Star, "The School Grants Muddle"on February 23rd, --

MR. PORTER: Do you agree with that?

MR. MILLARD: -- 1950, and I am not going to report at length on this particular editorial.

MR. PORTER: But do you agree with it? Do you agree with that editorial?

MR. MILLARD: I would not be reading it unless I agreed with it.

MR. PORTER: I did not know that.

Hon. G. H. DUNBAR (Minister of Municipal Affairs): Oh, everything you read you agree with?

MR. PORTER: You read several speeches of mine a few moments ago.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD:

> "Some municipalities, such as the Toronto suburbs of Leaside, Weston, New Toronto, Mimico -- "

These things were designed to be of assistance.

Well now, Mr. Speaker, there was a rather peculiar thing happened as a result of this new grant system which

has come into effect, and again with a good deal of fanfare, and it is something which gives me a great deal of concern, because in the City of Toronto we find that the decrease in vocational school grants on the new basis is $456,000. Now I am not pleading for these finances of the City of Toronto, but I am pleading that no great cut should be made in grants made to vocational schools. I think that in our vocational schools and in our technical institutes and so on, we have at least the beginning of very worthwhile education for our day and age, and I am disturbed to find that the big cut in grants was made in these particular cases. And so, as it was mentioned in the Star, that Mimico was to be one of the beneficiaries to this particular matter, I decided I would get the actual facts from Mimico. I might say, Mr. Speaker, and Mr. Minister (Mr. Porter) --

MR. PORTER: Who said --

MR. MILLARD: I placed a question on the Order Paper at the beginning of this Session, asking what the grants would be, based on the new system as of last year --

MR. PORTER: That is a hypothetical question.

MR. MILLARD: -- and I have yet to see the answer to this question.

MR. PORTER: That is a hypothetical question, Surely the government does not have to answer hypothetical questions what would the grants have been if another formula had been applied quite different from the one that was applied?

MR. JOLLIFFE: If they lost $10,000., there is nothing hypothetical about that.

MR. PORTER: The most hypothetical question I ever heard.

MR. MILLARD: Mr. Speaker, I asked the same question of the School Board in Mimico, and received the following answer, so they do not think it was hypothetical.

MR. PORTER: They got too much before, I guess.

AN hon. MEMBER: They have not got a part-time Minister.

MR. MILLARD: Last year they received for the high school grants under the old system $94,515.29, and for public schools $38,484.08. Now, if this system had been in effect last year, based on the same expenditure, the same costs of education, what would it have done to their municipal financing? Well, they would have received under the new system $85,000., for high school -- $85,990.05 -- and for public schools $34,933.00. That means that in this particular municipality, one of the municipalities affected, one of the municipalities that has made an application to the Municipal Board under 23-B of the Municipal Act for some kind of creation of an area because of their school costs and other services, that means that this municipality lost under this new system of grants, based on the same costs,as last year, $12,076.32, or approximately two mills on their tax-rate, and I say that while the government is to be congratulated on the fact that they have increased the grants in the over-all picture, nevertheless it is not an equitable distribution of grants under the present system.

MR. FROST: Oh, yes it is very much more favourable, the fact of the matter is that with the $5,000,000. to schools, this is going to the municipalities and the School Boards that need the money.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: After all, we were talking about leading the municipalities.

MR. JOLLIFFE: That is what you tell us every year, and every year it has to be changed.

MR. W. H. TEMPLE (High Park): You do not know what you are doing. That is the situation.

MR. MILLARD: Last year and the year before, the government system was perfect.

MR. FROST: No, we never said such a thing.

MR. PORTER: We never said that.

MR. MILLARD: Without any recommendations for the way in which you are going to finance our educational costs --

MR. PORTER: We never said that at all.

MR. MILLARD: -- by the Hope Commission. We go ahead and blunder along with the new system, supposed to be more perfect than the last.

MR. PORTER: Well, it is, too.

MR. MILLARD: That remains to be seen.

MR. PORTER: Perhaps it did not help some of your constituents.

MR. JOLLIFFE: It will be the same story next year.

MR. FROST: I will tell my hon. friend (Mr. Millard) this, if we find ways and means to make improvements, tomorrow or next year, we will make them, and without waiting.

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: I asked the hon. member (Mr. Millard) to make suggestions, but no tangible suggestion has ever come forward.

MR. JOLLIFFE: A little bit of tidying up.

MR. MILLARD: Mr. Speaker, I want to close on one note --

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: In this world situation with which we are confronted, we believe the situation concerning us in Canada makes it urgent that we have an educational system that will provide our people, our younger people particularly, with an education that will fit them for democratic living, and I do not believe that all your grant manipulations, or that your manipulations in school organization, or your manipulation in curriculum are going to meet that particular requirement.

I want again to refer to the fact that the burden which you are placing upon the people of this province of Ontario for educational costs is completely opposite -- diametrically opposed to the promises this government has been making since 1943 -- diametrically opposed. The costs are going up and as long as you keep on just ploughing more money, transferring it from the liquor business over to the school business and trying --

MR. FROST: You want us to lower teachers' salaries and take away the better things for them, or do you want us to go ahead and give them decent living standards?

MR. MILLARD: I am going to suggest, Mr. Speaker, that more thought and attention might be given to lowering the burden of costs on school buildings. Some of the municipalities are staggering under that load at the present time.

MR. FROST: Well, they build them themselves. It is their own Boards, and their own architects. After all,

do you distrust them?

AN hon. MEMBER: Do not go into that.

MR. FROST: Do you think we should go into some municipality and build a shack there, or should we leave them to build their own --

AN hon. MEMBER: Shacks?

MR. MILLARD: The hon. Minister (Mr. Porter) unintentionally, I am sure, has put his finger on a very sore point. I have in my hand a book published by the Department of Education. You have an architectural department there.

MR. PORTER: A pretty good one.

MR. MILLARD: You have one architect and an assistant, and all the plans must be approved, but I want to give you one picture, and it may be extreme, but I am giving this picture in the hope that something will be done to relieve the burden that is being placed on the backs of the people of this province. I am referring to a school in Hamilton, a school which was built at approximately $75,000. per classroom, and contained 16 classrooms. I am speaking of the Westdale School in Hamilton. The plans for that school passed through the Department of Education, through the architect's department, they went on through the Municipal Board, the debentures were approved in this particular case, and they went ahead and built the school. That school, I say from my knowledge as a builder, with ordinary maintenance, will stand 500 years, and yet everybody knows, the architects themselves agree, and the Department of Education realizes that schools which were built 100 years ago are completely antiquated today and ought to be replaced, and yet those expenditures and all that burden

of debt has been shouldered onto future generations in this particular case.

Just think what it cost to carry the burden of a a thousand dollars in a debenture debt over 20 years. How much? $70. a year per thousand, $1,400. For every thousand dollars you put into the school, you have got to pay back $400. in interest rates.

MR. FROST: Let me say that school was approved of during the time Mr. Sam Lawrence was Mayor of Hamilton. To the best of my knowledge, Mr. Lawrence and his council came over here and asked us to approve the by-law.

MR. JOLLIFFE: What has that to do with it?

MR. FROST: Do you disagree with Mr. Lawrence?

MR. JOLLIFFE: What has that to do with it? He is not the Board of Education.

MR. J. L. DOWLING (Hamilton East): The hon. Russell Kelley is the Minister.

MR. FROST: Well, the Board of Education is elected by the people. Do you disagree with the Hamilton Board of Education? I thought they were pretty good fellows.

MR. JOLLIFFE: I thought they were misled.

MR. MILLARD: Mr. Speaker, the point I was trying to make is that this government again is failing to protect the interest of the little man who cannot protect his own interests.

MR. FROST: Do you think the council of Hamilton does not protect the interests of their people?

MR. TEMPLE: They are a bunch of Conservatives.

MR. MILLARD: Mr. Speaker, the hon. Minister of Health (Mr. Kelley) is also a member from that area. He has some responsibility in this regard, and it is a rather peculiar

thing that this outstanding example happened to occur in one of the constituencies of one of the hon. Ministers.

MR. PORTER: What difference does it make? We treat them all alike.

MR. MILLARD: You have not treated other people alike, because they have not sufficient of their own assessment to meet that kind of cost. You did not go ahead and give them the full maximum grant of $25,000. a classroom, but you did in the Hamilton school. There are lots of people in this province who would be glad to build a school for children at $25,000., not $75,000. a classroom. You are not doing a good turn to the people of Hamilton or the people of this province by allowing that kind of thing to come to pass.

MR. FROST: Let me say that if the council of the City of Hamilton disapproved of the amount the School Board was seeking for capital expenditures, they could have submitted it to the ratepayers of Hamilton. They did not do that, instead of that the council recommended the payment and sent it over to the Municipal Board and to our Departments here.

I would say to my hon. friend (Mr. Millard) that he talks out of one side of his mouth on one occasion and out of the other side on the other. He says not to interfere with the municipalities, and then in the case here he wants to interfere with them.

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: Mr. Speaker, I just want to bring one other point to the attention of the hon. Minister of Education (Mr. Porter). Probably he will clear up this point when he speaks, I hope he will. He is quoted in the paper as saying that the

new curriculum which he announced in St. Thomas, and on which a great many statements have been made since, which appear in the official Government Services News:

"'The new school curriculum announced in St. Thomas last night is based on the experience of several years', " --

MR. FROST: That is right.

MR. PORTER: Certainly that is right.

MR. MILLARD:

"Honourable Dana Porter, Minister of Education, stated today, 'it is not something suddenly brought out of the clear sky'."

MR. PORTER: That is right.

MR. MILLARD:

" 'Experiments have been going on for some time along those lines, particularly in Toronto, Hamilton and Ottawa -- ' "

But apparently the hon. Minister (Mr. Porter) did not get to Hamilton quick enough. The reporter from the Globe and Mail got there first, and asked Mr. H. E. Plewman what he thought about this new announcement. Now, in the one case, we have it announced that experience has been gained in this matter; it has been going on for several years. Mr. Plewman replied to the reporter:

"H.E.Plewman, Chairman of the Hamilton Public School Board described the move as so revolutionary in character he hesitated to say just what would happen in Hamilton."

It was a complete surprize, and yet we are told by the hon. Minister (Mr. Porter) that experiments along these lines had been going on in Hamilton for years.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: It was not very revolutionary.

MR. MILLARD: We are told in another case regarding this announcement of change in curriculum that it is not going to cause anything in the way of an upset in the school set-up. I hope the hon. Minister (Mr. Porter) will inform hon. members of this House, are you going to change the system in the public schools, are you going to house this so-called intermediate grade in the public school buildings, or are you going to take the two grades out of the public school and put them into the high schools?

MR. PORTER: Of course the hon. member (Mr. Millard) has not read my speech, apparently, except the part he wants to question.

AN hon. MEMBER: We read all of it.

MR. PORTER: And he has not read other explanations, he has picked out every little item and pieced them together.

MR. MILLARD: Now, Mr.Speaker, the real difficulty is that the hon. Minister of Education (Mr. Porter) has made so many speeches --

MR. PORTER: Oh, no.

MR. MILLARD: And they are very different, one from the other.

MR. PORTER: The hon. member (Mr. Millard) is in a complete fog .

MR. MILLARD: And so contradictory. The speech the hon. Minister (Mr. Porter) made in St. Thomas was quite different from the speech he made when he had the Director of Education sitting at his elbow here in the House. I think you will find that out if you compare the two reports.

MR. PORTER: I did not make a speech on that occasion.

MR. MILLARD: Well, you interviewed the press, with the Director present.

MR. PORTER: They interviewed me.

MR. FROST: I would suggest that my hon. friend (Mr. Millard) should let the hon. Minister of Education (Mr. Porter) speak for five or ten minutes, and he could clear up the hon. member's (Mr. Millard) mind completely.

MR. PORTER: The hon. member (Mr. Millard) is taking so long I will not have time to answer these questions.

AN hon. MEMBER: Then we will all be in a fog.

MR. PORTER: Then we will have a night Session.

MR. MILLARD: Mr. Speaker, I want to give the hon. Minister (Mr. Porter) a chance to clear up my mind, and so I am going to stop.

SOME hon. MEMBERS: Hear, hear.

(Take G-1 follows)

I want to say this, in conclusion, that I invite the hon. Minister of Education (Mr. Porter), speaking for the government, to make a clear-cut statement as to what these changes really involve, particularly as regards our public school system, and our separate school system.

In one case, he tells us that it will not take any more schools. Yet he says, on the other hand, he will divide the classes up, those classes which consist now of around forty or forty-five pupils, and will reduce them down to about thirty in number. He says that he will lighten the load on the teachers, particularly in the junior grades, and says he will not make any change in the school set-up of the public schools, nor in the separate schools.

May I ask the hon. minister (Mr. Porter) to explain to the hon. members of this House, and through us, to the various municipalities we represent, just what the situation is. These people are anxious to co-operate with the department, but the situation is absolutely confused, particularly with regard to the matter of the type of schools they are to build. Are they going to be composite schools? Are they going to house the beginning group, the junior group, the intermediate group, and the senior group? Are you going to bring the ninth and tenth books into the public schools, or are you going to push the seventh and eighth into the high schools? What is the division to be?

In the Speech from the Throne, you speak of elementary and secondary education, yet you draw that line of demarcation right in the middle of the intermediate schools.

It seems to me, in the absence of a report from the Royal Commission which we are promised, we will receive

now on a piecemeal basis, and we will receive it some way, some how -- frankly, if I was a member of that commission, I would rebel and resign at the treatment they have been given. If there was any commission made a political football out of, it is the Hope Commission.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: If it has been made a political football, it was made by the hon. member for York West (Mr. Millard).

MR. MILLARD: I think these hon. citizens would rebel at that kind of treatment. We were told in 1947 we were going to get the report; we were told in 1948, in the election campaign, by the leader of the then government (Mr. Drew) that we were going to get the report; we were told by the hon. Minister of Education (Mr. Porter) last year, "Just hold on and be patient; we will get the report". The hon. members opposite applauded what the hon. minister (Mr. Porter) said in that situation. They made their feelings well known, when I predicted that we would not get the report until after the Federal election at least, and doubt if we would get it last year, because I noticed in the estimates an item of over $90,000 for the up-keep of this commission. I will be interested in watching the estimates this year to see what amount is set aside for the commission. Are you going to pension these people off? Are you going to keep on paying them?

MR. FROST: May I ask the hon. member (Mr. Millard) who is abusing the commission now, but himself?

SOME hon. MEMBERS: Hear, hear.

MR. FROST: A moment ago he said we were treating the commission with great disrespect, and now he says they are going to stay on their jobs so long, they are looking for a pension.

MR. MILLARD: I did not say anything like that.

MR. JOLLIFFE: You are hard-pressed, when you have to misquote.

MR. B. E. LEAVENS:(Woodbine): Oh, keep quiet.

MR. SPEAKER: Order.

MR. MILLARD: I said it was a political football.

MR. FROST: You are making it such.

MR. MILLARD: The hon. Minister of Education (Mr. Porter) tabled in this Legislature correspondence now on record, expecting we were going to get that report last summer.

MR. PORTER: So did I. We did not get it.

AN hon. MEMBER: Why not?

MR. MILLARD: How does the government now know that it is going to get the interim reports from here on out?

MR. FROST: We do not know.

MR. MILLARD: That is what you said in the Speech from the Throne.

MR. FROST: Oh no, it is not.

MR. JOLLIFFE: Oh yes, you did.

MR. FROST: We said we hoped to.

SOME hon. MEMBERS: Oh, oh.

MR. MILLARD: Here is what you said:

"Sound and care ful standards in elementary and secondary education, coupled with constantly improved teaching methods provide the foundation for a vigorous and healthy people. The Royal Commission on Education has made an interim report for consideration, and study, and further reports are expected this year."

MR. FROST: That is right, we expect them.

MR. MILLARD: You were expecting some more interim reports; that is all.

MR. SPEAKER: Order.

MR. MILLARD: That is what you told us in the S ch from the Throne we were going to get.

So, Mr. Speaker, I conclude my remarks by saying that I trust the hon. Minister of Education (Mr. Porter), when he speaks, will clarify this situation in regard to what education costs the people of this province in providing educational facilities. The grant system has broken down. It is not equitable, and he has not relieved the farm owners nor the house owners of the tax which was contemplated in the promise made before the election in 1943.

So I ask the hon. minister (Mr Porter) to clarify the situation. Let us know what is going on, and let him tell us what this Royal Commission is doing in regard to this question, in view of the fact that he ignored completely the report of the curriculum committee of that commission.

SOME hon. MEMBERS: Hear, hear.

HON. DANA PORTER (Attorney General): Mr. Speaker --

MR. DUNBAR : Here is a man in whom we have confidence.

SOME hon. MEMBERS: Oh, oh.

MR. SPEAKER: Order.

MR. PORTER: Do not ask me any questions yet. After all, I never heard such a long question since the one asked by the hon. member for St. Andrew (Mr. Salsberg)

MR. SALSBERG: Will you answer mine now?

MR. PORTER: It would not take as long to answer it as it did to ask it.

I may say, Mr. Speaker, that I will finish what I have to say by six o'clock.

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: I am glad that is accepted, because, in

view of that, it will be impossible for me to answer all these questions at the same length as the questions asked by the hon. member, (Mr. Millard).

If he had asked some simple questions, and stopped an hour ago, I would have had ample time to answer them.

MR. MILLARD: Mr. Speaker, may I say to the hon. minister (Mr. Porter) that I will not interrupt him.

MR. PORTER: After all, I have some other things on which to comment, also, because many matters have been mentioned in this debates on the Speech from the Throne, and if the hon. members had been so interested in respect to the curriculum and the grant system, and the speeches I have been complimented upon so much, by having them repeated and quoted and read so often, that I feel they must have been very good speeches, but if the hon. member (Mr. Millard) had wanted some further information which would pull him out of the fog, which he admits he is in, and if these people were so thirsting for knowledge, that he does not hesitate going out amongst the people, and saying what he has read about in the newspapers, and so forth, things to which we do not pay very much attention. If he had really wanted to know, he could have found out. I would have spent any required time with the hon. member (Mr. Millard) and discussed this curriculum with him, but he is the one hon. member who has never come near me, except to write some letters and ask for information in a vague way, which he wants to use on the platform, information he has collected from the little snips and pieces of reports from here or somewhere else, and speeches here,and another little snip of what somebody else says, but however, that is the sort of food the hon. member (Mr. Millard) lives on. The hon. member was in as deep a fog as he is now, when he

refers to the incapacity on my part, after the complete incapacity on his part.

I wish to congratu hon. member for Leeds (Mr. Reynolds) and the hon. member for Cochrane North (Mr. Leger) on the speeches they made at the outset of the Throne Debate.

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: Both speeches were eloquent; they were well phrased; and well delivered - -

MR. JOLLIFFE: Better than we get from the Cabinet.

MR. PORTER: I may say that I agreed with all the sentiments in each of these speeches, one hundred per cent.

I wish to congratulate the hon. members (Mr. Reynolds and Mr. Leger) on their election, which was a clear indication of what the people think of this government.

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: Although they may not be of the same mind, it is because they are living in a fog. As a matter of fact, they do not think, so it really does not matter.

I wish to say the addresses on the Speech from the Throne have brought forth a very classic debate, Mr. Speaker, and I must congratulate you on the spirit of equanimity you have cast over the waters until the Speech of the hon. member for York West (Mr. Millard) when the waters became a bit ruffled; it seemed to be a little bit rougher, over there.

All the other speeches were very moderate speeches, and we could not help but agree with a great deal that was said.

Then there is the hon. member for London (Mr. Calder) who mentioned many things. I thought he was the great education critic of the Liberal party, but when it came to education, he would not say whether he thought what was done was good or bad; all he could really say in criticism of this

was that we did not apologize to the Royal Commission for doing something which it was obviously our duty to do. That is all he criticized. He did not say that these curriculum changes were good, bad, or indifferent. He did not mention it. As a matter of fact, I do not know whether he has any capacity to discuss those things. I do not know. At any rate, he thinks it is all right, or if he does not, he does not know, so it really does not make any difference.

His complaint of this great government was that he was appointed a K.C. I may assure the hon. member (Mr. Calder) there was no intention on the part of this government to confer a K.C. upon the hon. member (Mr. Calder) merely because of his association with this House, and the fact that he was elected by the people in London. That, in itself, would not be enough, in any case.

I was entirely impelled by the impression that I had, which I thought was confirmed by general public opinion, that the hon. member, as a result of his distinction in the legal profession, had earned his K.C., and it was given on that basis, and none other, as they all are.

SOME hon. MEMBERS: Hear, hear.

(Take H follows)

However, when the hon. member (Mr. Calder) mentioned his furthering of the rent control, I must say I began to doubt my judgment a little.

SOME hon. MEMBERS: Oh, oh.

MR. PORTER: Unfortunately, the hon. member (Mr. Calder) spoke with reference to education. This government did open a campaign which seems to be a standing joke which gets staler every year, yet the hon.members in the opposition laugh harder every year, bedause the staler the joke, the harder they laugh, because they love chestnuts and they live in a fog.

SOME hon.MEMBERS: Oh, oh.

MR. PORTER: During the last Session a great deal was said about this Commission and what it was to do and what is done today and what it had done and what it was going to do and they made a great thing of it. Now I am faced by the hon. member for York West (Mr. Millard) with the submission that I said I was not going to make any changes until the report came in. I am going to read from Hansard of last year and just show the hon. member (Mr. Millard) what was said. This appears on page 1555 of Hansard of last year:

> "Some hon. members have a misconception as to what the functions of the commission may be.
>
> "MR. MILLARD: The whole scope of education.
>
> "MR. PORTER: Yes, I know, but they are inquiring into all that, and that does not mean education stops and lives in a vacuum while the commission is doing its work.
>
> "We have made many changes and regulations of many kinds, pertaining not only to the financial aspects of education, but to all other aspects of education. When the commission presents a report, that report will be considered and we will see in what way the various branche of the whole educational system should be further changed

or improved or revised. Some of them might be fundamentally changed or there may be some entirely new departures as a result of that report.

"However, in the meantime we have a very great Department of Education. I mean the staff of the Department of Education is of a very, very high calibre all the way through, and they are closely in touch -- through the inspectors of the elementary schools and secondary schools -- in touch with everything that is going on in the schools of this province, and the department itself has formed certain views as to changes that should be made from time to time, and these changes are being made.

"When the report comes in, we hope that it will give further assistance and it may give us some new lead on fundamental changes that may have to be tackled, but I really must say, from anything I have seen in the last few months while I have been in this office, I am convinced -- and I hope the hon. member (Mr. Millard) will accept this -- that there have been great strides made in education in all aspects of education. Nothing has stood still just because a commission is sitting and inquiring into the whole situation, and eventually we hope will make a report that will be of great value."

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: "I do not think that has held up any real progress in education in the last few years, and I am satisfied there are certain changes that obviously must be made in some of the courses."

That is what I said last year about the curriculum and some of the courses and because I brought in some changes in the courses the hon. member (Mr. Millard) said it was a great betrayal. He did not say it wasa betrayal of what but of course, as now, he was in a fog. He did not know, he thought betrayal was a good word to use and it got into the headlines.

MR. FROST: He has been in a fog ever since.

MR. PORTER: I have discussed that on many occasions and work is being done. I do not know whether I can make it amy clearer than that.

"I have discussed that with the department on a number of occasions and work is being done departmentally to see what sound step could be made soon, because any change in courses of study is something that requires a great deal of time to make fully effective, because you have to consider what happens in the earlier grades and how it affects the higher grades. You cannot suddenly make a change in a few upper grades in the courses they study there, unless you pave the way all along the line.

"However, there are some changes which can be made and which we are satisfied, no matter what the commission might report, are along perfectly obvious lines, and I think we are going to be able to work out something that will enable the various schools to take the first step in these changes very, very soon."

(page H-4 follows)

SOME hon. MEMBERS: Hear, hear!

MR. FROST: Does that make things clear in the mind of the hon. member (Mr. Millard)?

MR. PORTER: Is there any doubt in the hon. member's mind (Mr. Millard) at all?

MR. DENNISON: Mr. Speaker, I--

MR. PORTER: I am asking the hon. member for West York (Mr. Millard), not you.

MR. MILLARD: Since the hon. Minister (Mr. Porter) is asking me the question I will reply. There is still a clear recollection that, on a question from myself regarding some of the things contained in the Hope Commission report be dealt with on an interim basis, the hon. Minister (Mr. Porter) backed by the present hon. Prime Minister (Mr. Frost) stated very definitely he had no intention of dealing with these questions on a piecemeal basis. That will be found in Hansard.

MR. DENNISON: That is page 1557.

MR. PORTER: I asked the hon. member (Mr. Millard) whether he was still in a fog and he said that there might be something in Hansard that he said. I simply read what I said in Hansard. It took me five minutes to read it and it could not have been expressed more clearly that we had definitely intended to make certain changes in the curriculum.

MR. JOLLIFFE: What are the changes?

MR. FROST: You are not in a fog, too?

MR. PORTER: The hon. member quoted my speech, he said the changes had been made.

MR. JOLLIFFE: You were challenged to make a clear explanation and we have not heard it.

MR. PORTER: I am not going to make this a full afternoon.

MR. LEAVENS: Nor any other afternoon.

MR. PORTER: It is not fixed in the mind of the hon. leader of the opposition (Mr. Jolliffe) as to what these changes are, and his daughter going to school and all the rest of it. I would hate to think he was also in a fog but it would look to me as though he is. No doubt, at some stage in the proceedings I might have said--

MR. G. E. PARK (Dovercourt): Back off quick.

MR. DENNISON: Retreat.

MR. PORTER: If you do not want to listen I will go on to the next thing. What is the use of bothering. The hon. member (Mr. Millard) mentioned something about the liquor situation in Windsor and apparently the other hon. member (Mr. Ellis) on the other side of the House is from Windsor. Well, he has gone, I see.

MR. FROST: He has left the party.

MR. PORTER: At any rate, the hon. member (Mr. Millard) suggested that alcohol education was something of great importance. He did not elaborate on it very much. The hon. member (Mr. Millard) made a speech and I have never heard one that was less charged with intangible statistics of anything that could be done by a government in my life. There are a great many references to a lot of things and difficulties and the gloomy prospects with which we faced inthis country in education. When the hon. member (Mr. Millard) was faced with a question about what he found in Newfoundland---it is funny how these hon. members always go to New Zealand or Sweden or Newfoundland, but whenthe government is thrown out in New Zealandthey go on to Newfoundland. It islike everything else, it will take time. Now, thehon member (Mr. Millard) brought up the point about Newfoundland and it was suggested there were some complicated problems there and some difficulties.

Of course, he said, he was not in a position to discuss these difficulties, that he did not know much about these things. I think that may be the answer to some of the difficulties in which he finds himself. However, the question of alcohol education was raised and there was nothing very definte recommended about it, but the suggestion was we were not doing anything in that sense and that we could not pay out all this money to the school boards but we should somehow relieve the burden of the people. Just what he means is something I am in a complete fog about.

MR. NIXON: You certainly are.

MR. FROST : No wonder.

MR. PORTER: So are you.

MR. NIXON: I am in a fog to know what you are talking about.

MR. FROST: Do you understand what was being said this afternoon?

MR. NIXON: Not by the hon. Minister (Mr. Porter), no.

MR. PORTER: I did not expect to meet the hon.members of the Liberal party in the fog.

MR. DENNISON: You do not know your capacity!

SOME hon. MEMBERS:. Oh, oh.

MR. SALSBERG: At any rate, there is plenty of fog.

SOME hon. MEMBERS: Oh, oh.

MR. PORTER: I will just indicate to the hon. members something about alcohol education in the schools. If you listen to what is suggested in some quarters you would think nothing was being done whatsoever, that we should do something as they are doing it down somewhere in a distant state somewhere.

MR. MILLARD: British Columbia.

MR. PORTER: It is always somewhere else, Saskatchewan,

Newfoundland or British Columbia.

MISS A. MACPHAIL (York East): What are you doing?

MR. PORTER: You get in your seat, madam, before you start any questioning around here.

SOME hon. MEMBERS: Oh, oh.

MR. PORTER: Alcohol education in Ontario is not treated as a special subject but related topics are integrated throughout the health courses. We believe, Mr. Speaker, that this is a subject which should be related to a general treatment of health and general physical conditions of living and in that way it is our object to produce an attitude of temperance rather than the object of infusing into the minds of the young a great deal of propaganda of some kind or another as to what they should or should not do. We believe thateducation is not propaganda, it is quite a different thing and to introduce a course which might have a propaganda aspect today would be a bad thing.

MR. PARK: No one is suggesting that.

MR. MILLARD: Mr. Speaker, I wonder if the hon. Minister (Mr. Porter) would mind a question?

MR. PORTER: As long as it is not a two-hour question.

MR. MILLARD: I am just asking the hon. Minister (Mr. Porter) does he suggest that the course in British Columbia is propaganda?

MR. PORTER: I did not say any such thing.

MR. MILLARD: That is all we ask for.

MR. PORTER: All I say is this, we are not copying any other person's course. We have worked out a course ourselves. and the hon. member (Mr. Millard) apparently does not know that.

MR. MILLARD: The hon. minister (Mr. Porter) says it will bring us into line with Britain and the United States.

MR. PORTER: I did not say anything of the kind.

MR. MILLARD: Yet, it is in your paper.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: What clipping did you get that from?

MR. DUNBAR: Why do you read those foreign novels?

MR. PORTER: Well, this would take a lot of reading, and I had better leave it for the estimates. There is a lot of studying and program of studies to face. There are certain aspects in that problem in this Act, the program of studies in grades 7 to 8, there is a scientific presentation of the facts which would be suitable for the higher grades.

MR. J. L. DOWLING (Hamilton East): Which one are you in?

MR. PORTER: I do not know if that would be intellig to the hon. member (Mr. Dowling) if he was in a state of fog at the time he read it.

In the secondary schools there is a course of study in grades 9 to 12 which treats the subject under the following topic

(a) Effects of alcohol on circulation.

(b) Effects of alcohol on digestion.

(c) Effects of alcohol on the nervous system.

(d) Attitudes towards the use of alcohol.

In addition to that, there is taught in relation to health facts relating to alcohol in a textbook.

MR. SALSBERG: Does the textbook approve that liquor is bad for circulation and health?

MR. PORTER: You had better read it.

MR. SALSBERG: I would be informed in a public way.

MR. PORTER: I am not prepared to say whether it is.

MR. JOLLIFFE: Has the hon. minister (Mr. Porter) read it?

SOME hon. MEMBERS: Oh, oh.

MR. SALSBERG: Is it bad or is it not?

SOME hon. MEMBERS: Oh, oh.

MR. PORTER: Well, I am not going into all the details about it. There are also films in connection with this through the secondary and elementary schools handled by the visual education branch. These films have to do with alcohol, and they are made available. There are a number of these films that are made available and are circularized, and there is material supplied by various research organizations.

(Take I follows)

I am not going to go into all that in great detail in this Throne Debate, I am merely indicating to the hon. member (Mr. Millard), when he suggests we have fallen down in our responsibility with respect to education, that we have made greater strides than have ever been made before in a similar period in this province.

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: And not only strides, but we have eased the financial burden. Let me just say this to the hon. member (Mr. Millard): I hear so much about this "crushing burden of taxation" on municipal taxpayers because of the cost of education. I say, Mr. Speaker, that if people want education, if they want to pay their teachers a fair salary, if they want decent schools and decent buildings, somebody has to pay for them. The people have to pay for them, and get exactly what they are prepared to pay, and we have made it possible for people to pay in two different ways. They still pay through their local rates, and had it not been for our local policies, those local rates would be very much higher today than they are.

SOME hon. MEMBERS: Hear, hear.

MR. PORTER: If we look at the City of Toronto and examine the amount people pay on their houses for education, we will find it is very little different than it was as far back as 15 years ago. Who, then, could say there is a crushing burden of taxation there with respect to education?

AN hon. MEMBER: There was a few years ago.

MR. PORTER: Who can say it is a crushing burden? On the average house in the City of Toronto, a house with average assessment in a residential area, it amounts to something

in the neighbourhood of $40. a year for education. Is that a crushing burden, in view of the fact that you are getting education for your children? Whether you have six children, one child or no children, you have to pay that amount, which approximates $40., and most people pay less because most people are living in houses with less than average assessment..

Is that a crushing burden? It is not as crushing a burden as it is in some of the municipalities, perhaps. As a matter of fact, the City of Toronto is doing very well under the whole grants scheme. The $40. is just about an amount equivalent to a telephone bill before the rates are raised. That is about what it would be, an annual telephone bill, very little more. If a householder is asked to pay somewhere in the neighbourhood of $40. or $50. for education, it is up to those people to decide whether they are getting $40. or $50. worth for that, and if so, where is the crushing burden of taxation?

Now, as a result of the provincial policy, not only does the cost of education come on the assessment of real estate in the municipality--at one time it was almost entirely borne by this source--but a very, very great proportion of it comes out of the provincial source of revenue, to the very limit of our capacity to raise and distribute it in that way.

If you go out into the country, you will see in some of these remote rural areas the schools which are being built. There are more than 600 schools that have been built in the last four years, and I do think if it had not been for this assistance which has been given -- of course

we would like to give more, we think everybody would like to give more, but there are many demands upon any government -- we would not have the schools we have.. The hon. member for London (Mr. Calder) has seen that great school, the Medway School, and a finer constructed school you would get nowhere in the world. It is magnificent. I remember the day I went there, the day the school was opened. They expected they would have an enrolment of about 420 pupils, but instead of that they found they had an enrolment of about 530. My figures may be a little different, but I think that is about the proportion. The reason was simply that before they had had a high school built out in the country, the children who went to high school had to go a long distance, into town and had to find lodgings, and many of them did not leave the farm to attend high school at all for that reason. Today the children can be brought in, with the result the high school has an enrolment of about 100 more pupils than they had expected, 100 pupils who formerly would not have been going to school at all.

(Page I-4 follows)

That is what our educational policy is accomplishing, and in some of those more distant places where the land assessment is very small and there is a scattered population, they got grants, of course, as has been said, of 80 per cent and 90 per cent -- more than that -- and we have endeavoured with the money that we raised through provincial sources of revenue to spread those out in a manner which is as equitable as possible.

When hon. members get up and say, "Well, this new system of grants affected a certain municipality this way, and a certain municipality is getting a few dollars less", and they scream about that, I defy any hon. member to come forward and say that that system of grants in principle is wrong, or that that system of grants in principle is worse than the one we had before. I say, Mr. Speaker, it is a great advance, the result of experience we have had in the last few years. It recognizes those districts which have a greater number of pupils per capita of population. The pupil element in the grant is introduced, it recognizes those places which have a heavy burden for teachers' salaries, and it recognizes those places which have a heavy burden for new school buildings. Those are separate items now to be paid, and a board that has not been expanding, where new children are not arriving on the scene, and the school population is static, as it is in many parts of the country, does not need to build new schools, and so their costs are that much less. We thought it would be fair to give the greater "break" to those who must have new schools and who must embark on a building program and meet the costs of building as they are today. So that is a separate item; in addition to $16.00 per pupil grant, you have a percentage which is based upon a sliding scale, if you want to call it

that, a percentage of the teachers' salaries, of the debenture payments that have to be made, of the costs of transportation. That is what we have endeavoured to provide as an improvement in the setting out of these monies for the benefit of those who need it most. I do not think because some of the great cities may be getting a little bit less -- they can afford to take a little bit less because those who are getting a little bit more are those who need it, and the very fact that we have the amount in our appropriations by approximately $4,500,000. for school grants this year -- most of them ten per cent in one year -- indicate that the government is not drawing in or holding back, the government is attempting to meet the conditions which we are faced with today.

MR. C. H. TAYLOR (Timiskaming): Would the hon. minister (Mr. Porter) permit one question?

Would you consider that you were not adversely affecting education where your new method has has the affect of increasing the tax rate by three and one-half mills?

MR. FROST: No, no, no.

MR. PORTER: Oh, no. Three and one-half mills? Where?

MR. TAYLOR: In the town of Cobalt.

MR. PORTER: Well --

MR. TAYLOR: It was three and one-half mills more this year because of your new system of grants.

MR. FROST: You will find grants will be much larger.

MR. TAYLOR: No, they are not.

MR. PORTER: Well, perhaps you were getting too much before?

SOME hon. MEMBERS: Oh oh.

MR. DUNBAR: Now we have cancelled all your debts on the schools.

MR. PORTER: If there are any single examples -- and there are many other examples, in every government department you have the result of the approach of this government to provincial responsibilities as we understand them, and my submission to this House is that this government should be sustained. I have no doubt it will be sustained.

SOME hon. MEMBERS: Oh, oh.

MR. JOLLIFFE: Not because of your--

MR. PORTER: But it should be sustained, and I am sure the hon. member for London (Mr. Calder) and the hon. member for York West (Mr. Millard) will cross the floor on this vote.

(Page I-7 follows

It should be sustained because our policies on the provincial level are in the best interests of the people of Ontario, that we are utilizing our tax resources in a most effective way, sending this money to the places where they need it most and relieving the burdens in the places where the money is most required, and releasing new energies, new advances and new ideas into the system of education, and in addition to that into every other department represented in this Chamber.

SOME hon. MEMBERS: Hear, hear.

MR. SPEAKER: Mr. Leger, moves, seconded by Mr. Reynolds;

> That an humble address be presented to the Honourable the Lieutenant-Governor as follows:
>
> To the Honourable Ray Lawson, O.B.E., LL.D., Lieutenant-Governor of the Province of Ontario. We, His Majesty's most dutiful and loyal subjects, the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us.

Mr. Jolliffe moves, seconded by Miss Macphail:

> That the Motion for consideration of the Speech of the Honourable the Lieutenant-Governor now before the House be amended by adding thereto the following words:
>
> "But this House regrets that the Government has disclosed no effective plans for meeting the growth of unemployment, the

"decline in farm income and the shortage of low rental housing".

Moved by Mr. Oliver, seconded by Mr. Nixon:

That the Amendment before the House be amended by adding thereto the following:

"And this House further regrets that no intimation was given in the Speech from the Throne that a Provincial-Municipal Conference would be called before the convening of the Dominion-Provincial Conference".

We shall vote on the amendment to the amendment.

The amendment to the amendment negatived on division.

Ayes: 34

Nays: 49

MR. A. A. MacLEOD (Bellwoods): Mr. Speaker, I rise to unite and not to divide, and so I move, seconded by Mr. Salsberg,

That the Amendment now before the House be further amended by adding thereto the following words:

"And this House particularly regrets:

'1. That the government is taking no effective action to safeguard our forests, iron-ore deposits and other natural resources from alienation to external interests, thereby imperilling the industrial development in Ontario and greater employment opportunities

' 'for our people;

'2.That the government has failed to seek an agreement with the federal government to provide cash relief for those unemployed citizens not covered by unemployment insurance benefits, during the period of their enforced idleness; and

'3.That the government has not seen fit to continue supplementary assistance to the old-age pensioners of the province to meet the rising cost of living'."

(Take J-1 follows)

The amendment to the amendment negatived on division.

For: 22

Against: 61

MR. SPEAKER: The vote will be on the amendment.

Mr. Jolliffe moves, seconded by Miss Macphail,

"That the motion for consideration of the Speech of the Honourable, the Lieutenant-Governor now fore the House be amended by addi . thereto the following words:

'That this House regrets that the government has disclosed no effective plans for meeting the growth of unemployment, the decline in farm income, and the shortage of low-rental housing.' "

The amendment negatived on division.

For: 34

Against: 49

MR. SPEAKER: Mr. Leger moves, seconded by Mr. Reynolds,

"That an humble address be presented to the Honourable, the Lieutenant-Governor as follows:

'To the Honourable Ray Lawson, O.B.E.,LL.D., Lieutenant-Governor of the Province of Ontario. We, His Majesty's most dutiful and loyal subjects, the Legislative Assembly of the province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us."

MR. E. B. JOLLIFFE (Leader of the Opposition): The same vote?

MR. FROST: Forty-nine to thirty-four.

Motion agreed to.

MR. JOLLIFFE: Now that the division is over, it is all right for me to say that I do not know about the validity of the division. According to the records of the House, the motion was moved by the hon. member for Leeds (Mr. Reynolds) and seconded by the hon. member for Cochrane North (Mr. Leger).

MR. SPEAKER: I will have to accept some responsibility for that. My copy says here, "Mr. Leger moves", and I stand to be corrected, and if the government has raised the necessity of my voting, the hon. Leader of the Opposition (Mr. Jolliffe) has "put me on the spot", where I must sustain the government.

MR. FROST: Mr. Speaker, before adjourning the House, I may say I have today seen a division in the ranks of the Opposition. Apparently the hon. member for Essex North (Mr. Ellis) has gone away angry about a reference by the hon. member for West York (Mr. Millard). I am very sorry that has happened. We do not like to see the Opposition divided in that way.

Mr. Speaker, I move the adjournment of the House.

MR. JOLLIFFE: Mr. Speaker, before that motion is put, may I just say that we have not had many divisions so far this Session, and possibly we are a little out of practice. There is no need for me to worry about the hon. member for Essex North (Mr. Ellis), and I think in the course of time we shall undoubtedly be confronted from the other side of the House with the same situation, and I suggest that when a division is in progress when the Clerk Assistant has completed calling those on this side of the House, he should turn his face to the other side, and give the hon. members on the opposite side the opportunity of being included, those who may wish to vote, with the Opposition.

It may be that the day will come when some courageous soul may want to vote with us, and he would not be given that opportunity. If, when the count is completed, of the members

on one side of the House, the Clerk Assistant would give those on the other side the opportunity to vote, it might be enlightening.

MR. FROST: Before I move the adjournment, I should move these two motions.

Moved by myself, seconded by Mr. Doucett, that this House will tomorrow resolve itself into the Committee of Supply.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): And also moved by myself, and seconded by Mr. Doucett, that this House will resolve itself into the Committee of Ways and Means.

Motion agreed to.

MR. A. A. MacLEOD (Bellwoods): Mr. Speaker, before the hon. Prime Minister (Mr. Frost) moves the adjournment of the House, I wonder if he would tell us what success he had in his promised effort to seek a coalition with the hon. Leader of the Opposition (Mr. Jolliffe) with respect to the Bills of private members which are on the Order Paper?

MR. FROST: Mr. Speaker, I have not had the opportunity of seeing the hon. Leader of the Opposition (Mr. Jolliffe) but I will have a talk with him early in the week.

I beg to move the adjournment of the House.

Motion agreed to.

The House adjourned at 6.24 p. m.

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Volume 21.

P R O C E E D I N G S .

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS SEVENTEENTH DAY OF MARCH, A. D., ONE THOUSAND NINE HUNDRED AND FIFTY AT TWO O'CLOCK, P. M.

- - - - - -

Toronto, Ontario
Friday, March 17, 1950
2.00 o'clock, p. m.

- - - - - -

2.00 O'CLOCK, P. M.

And the House having met.

PRAYERS.

MR. SPEAKER: Presenting Petitions.

Reading and receiving Petitions.

Presenting reports by Committees.

Motions.

Introduction of Bills.

Orders of the Day.

MR. CHARLES E. REA (St. Patrick): Mr. Speaker, just before the Orders of the Day, it has been the custom in the past the member for St. Patrick's riding to say something about the honourable saint, on a day like this.

I could go into a long discourse, and tell you that he really was born in Scotland, --

SOME hon. MEMBERS: Hear, hear.

MR. REA: And a great many other things.

Oscar Wilde once said of the Irish people that, "They were the greatest talkers since the Greeks". Maybe he has something there.

I think perhaps I should tell you a legand, the story of Bridgett, the Irish washerwoman.

It seems that she was a direct descendent of St. Patrick himself -- who at one time had been a slave in Ireland and did better for himself. Bridgett lived in Ireland for a number of years plying her trade. She was doing fairly well too -- she was good at her job, and not afraid to give the clothes that little extra rub that makes the difference between them being really white and not just nearly white.

However, Bridgett was finding it difficult to get along in the Garden of Heaven, -- she was just a little short of money. But she was full of ideas. So she scrimped and saved, and finally got enough money together to come to Canada. Fortunately for the woman, she settled

in Ontario, and then she arrived there was a Conservative government in power. Bridgett had always been "agin the Government" before, but now she found she was free and able to ply her trade in her own way, and the harder she worked the more money she made.

Finally, Bridgett got to the point where she was just a little envious of the cars she saw being driven down the street. And in this land of free enterprise and equal opportunity, it did not seem impossible that she might have one for herself. So she watched her expenditures very carefully, and sure enough, she had the money to buy her car. So now Bridgett drives to work each day in a little car -- of course 'tis green in color.

Now, Mr. Speaker and hon. members, as you look at the wee favors I have left on your desk, I thought I should tell you that today as I was distributing the little shamrocks around, I got along fine until I got over to the Opposition desks. And I think it was at the desk of the hon. member for York South , the Leader of the Opposition (Mr. Jolliffe), that I tripped on something -- such a trip that I lost my balance completely and brushed my lips against something. I stood up to look. Sure and Begorra -- 'twas the Blarney Stone that Bridgett had brought from Ireland and put where she thought it might get the mose use.

SOME hon. MEMBERS: Hear, hear.

MR. T. L. PATRICK (Middlesex, North): Mr. Speaker, I wish to thank the hon. member for St. Patrick (Mr. Rea) for this token of thoughtfulness on this day, and I wish to join with him, and all Irishmen in celebrating this anniversary of our famous patron saint, St. Patrick.

It is indeed most gratifying to any Irishman, to have one hundred per cent Irish blood in his veins. It is

very nice to note in the building today that a good many of our civil servants are wearing the emblem of the Emerald Isle, the shamrock. Many of the ladies are wearing green blouses and skirts, and I notice many of the men are wearing green ties.

I sincerely hope that the hon. Leader of the Opposition (Mr. Jolliffe) on this occasion will not accuse the hon. Prime Minister and Provincial Treasurer (Mr. Frost) of political strategy by commemorating this day by bringing down a "Sunshine Budget".

MR. EAMON PARK (Dovercourt): Mr. Speaker, I think this is about the easiest day in the year for the government to bring forward its Bill to abolish discrimination of all kinds, because it seems to me this is the day when nearly everyone wants to be an Irishman, and we would then all be on a completely equal basis.

I might say on behalf of my fellow Irishman from Hamilton Centre (Mr. Thornberry) that he and I would be glad to welcome you in. I feel that every hon. member on the government side opposite, would receive great good, if they could become Irishmen. There is in the Irish a strain of humanity, which they might acquire at the present time, and in the situation we find ourselves.

I do not join with the hon. member who has just spoken (Mr. Patrick) in the hope that there is no political significance in the decision of the hon. Provincial Treasurer (Mr. Frost) to bring down his Budget today. I hope that the generosity which is generally credited to the Irish will overcome the canny Scot in him, and be reflected in the Budget which he will bring before us this afternoon.

MR. A. A. MacLEOD (Bellwoods): He is no Scotsman

MR. PARK: On an occasion like this, it is usual to speak of the Irish as fighters, and the achievements they

have attained in that field. For me, I prefer to think of the Irishmen in other fields, those of philosophy, poetry and literature, rather than in the field of fighting.

We in this group have a sort of special feeling about Irishmen. The first working man's representative ever elected to the Ontario Legislature was Daniel John O'Dohohue --

SOME hon. MEMBERS: Hear, hear.

MR. PARK: -- who represented the city of Ottawa in this House. I have often wondered what has happened to the city of Ottawa since, as I contemplate what has occurred.

Daniel John O'Donohue was born on the lakes of Killarney in the county of Kerry, in 1844, and was elected to this House in a by-election in 1874. It is interesting to note that he was offered the Conservative nomination, but like any self-respecting working-man, he turned it down.

SOME hon. MEMBERS: Oh, oh.

MR. PARK: So he was a working-man's candidate, and he became the first working-man's representative -- tied neither to the Liberals nor the Conservatives -- to be elected to this Legislature.

I think it is perhaps apropos to mention that it was due to his efforts in this House, that there was introduced in 1874 the Mechanics Lien Act. Even then, they had to have an Irish working-man to prod the government into bringing down any labour legislation.

We, on this side of the House, particularly those of us who are associated with the trade union movement, take great pride in the fact that it was an Irishman who broke the ground in bringing working-men's representatives into this

House, and we hope in his tradition we will be able to carry on the work he started at that time.

SOME hon. MEMBERS: Hear, hear.

MR. FARQUHAR OLIVER (Grey South): Mr. Speaker, being the only Irish representative in our group, I should say a word of congratulation to the rest on this occasion. One has to be careful what he says to or about an Irishman. Legend has it that you do not want to talk to an Irishman unless you are properly equipped to carry on the conversation, and you do not need anybody to talk for him, because down through the years the Irishman has demonstrated his ability to talk for himself.

So, from one point of view, at least, this demonstration on their behalf is not as necessary as it would be if it was another anniversary.

The Irishmen have been known through the years to have two outstanding qualifications. One of them is that he is able to speak for himself, and the other is that he has been able to make his virtues shine more virtuously than they should, and, again, he has been able to successfully minimize his faults down to a very low ebb indeed.

To those men, and to all of us Irish, and to the great conclave who wish they were Irish, we extend on behalf of this group our congratulations today.

SOME hon. MEMBERS: Hear, hear.

MR. ROBERT THORNBERRY (Hamilton Centre): Mr. Speaker, sharing the honour of being one of the two Irishmen in this House, I can perhaps lay claim to being at least one of the best-dressed Irishmen.

I would like to thank the hon. member for St. Patrick (Mr. Rea) for his favour, and I listened with great interest to what he had to say. When he said it was reported that

"The Irish are the greatest speakers since the Greeks", I think he could have left off all the words at the end, and simply stopped by saying, "The Irish are the greatest".

I also listened with interest to his Bridgett story. It was such a Horatio Alger success story, that I came to the conclusion that she must have settled in Windsor.

In the past, when I have elaborated upon the achievements of Irishmen, everybody agreed with me, so it must be so. I believe I mentioned last year that the French army was composed mostly of Irish, and later the Irish emigrated to Canada, and settled in the province of Quebec, and they were so opposed to the English, that they would speak only French. They have been referred to as, "Canadiens", but I think that is not quite correct. They should be referred to as "Franco-Canadien Gaels.

The Dominion has paid tribute to the Irish by printing their one-dollar bills on green paper. The fact that the fifties are printed on orange, must be because there are less of them.

I think we should pay a tribute to the Irish, and I have a suggestion to make to the hon. Minister of Highways (Mr. Doucett) that now that we have the crown removed from the license plates, he might replace it with the shamrock.

May I also say there is no foundation to the rumor that the name of "St. Patrick's Day" will be changed. There is a rumor that St. George's Day will be changed to "Churchill Day", and St. David's Day -- that of your own patron saint, Mr. Speaker, will be changed to Aneurin Bevan's Day", and that St. Andrew's Day will be changed to, "Joe Salsberg's Day".

SOME hon. MEMBERS: Oh, oh.

MR. THORNBERRY: But St. Patrick's Day will be St. Patrick's Day forever.

SOME hon. MEMBERS: Hear, hear.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I have here a message from the Lieutenant-Governor, signed by his own hand.

MR. SPEAKER: I have a message from his honour, the Lieutenant-Governor, signed by his own hand:

"The Lieutenant-Governor transmits estimates of certain sums required for the services of the province for the year ended the 31st of March, 1951, and recommends them to the Legislative Assembly.

"Toronto, March 17, 1950

(Signed) Ray Lawson."

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move that you do now leave the Chair and the House resolve itself into the Committee of Supply.

Motion agreed to.

(Take B follows)

Hon. LESLIE M. FROST (Provincial Treasurer): I was advised by the Deputy Treasurer to accentuate that this is the first time that the Budget has been presented on the seventeenth of March.

My father, who was born in Glasgow, was born on the seventeenth of March, and he claims that he was a Scotsman. I may say that I was greatly interested about what our hon. friend (Mr. Park) said about Mr. O'Donohue. Mr. Bengough presented me with an outline of the great importance of Ontario in Canada, and I read about Mr. O'Donohue's desire. I thought Mr. O'Donohue, being a great Labour man, was a Conservative, and I wanted to clear that up. I must say that I got but little comfort. There is no comfort there; he is a Liberal.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: I saw some great authorities on this, and Mr. O'Donohue is as Liberal as Sir Oliver Mowatt. I would not like to start this debate on any note of difference. The preparation of the project is difficult, and many hours have to be spent, and much work has to be gone through before the Budget is completed. I want to thank my colleagues, the control board, and the hon. Attorney-General (Mr. Porter), and the Department of Reform Institutions, for the time they have given to this development. I would like also to thank Dr. Chester S. Walters, Mr. Brown, and Mr. Gathercole, and the Provincial Auditor (Mr. Cotnam), for all their great work, not only in aiding in the preparation of this Budget, but the Budgets of other years.

(Take C-1 follows)

BUDGET SPEECH OF

THE HONOURABLE LESLIE M. FROST

TREASURER OF THE PROVINCE OF ONTARIO

TO BE MADE IN THE LEGISLATIVE ASSEMBLY

FRIDAY, 17TH MARCH, 1950

PRESS RELEASES

To all Newspapers
and Radios - 2:00 p.m.
but all afternoon editions
of the Press outside of Toronto

BUDGET ADDRESS

delivered by

THE HON. LESLIE M. FROST

TREASURER OF THE PROVINCE OF ONTARIO

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, March 17, 1950

Mr. Speaker:

This is the eighth occasion on which I have had the honour as Treasurer of this great Province of Ontario in moving the historic motion that you do now leave the chair and the House resolve itself into Committee of Supply.

It will be of interest, I believe, to call attention to the fact that only two of my predecessors have exceeded that number - both having made the motion on nine occasions. A review of the times of the Honourable Richard Harcourt, who delivered nine budget addresses - the first in 1891 and the last in 1899 is interesting. To give this Legislature an idea of the expansion of Government activity, let me state that for the fiscal years ended December 31, 1890 to December 31, 1898, the nine years covered by the addresses of the Honourable Mr. Harcourt, the ordinary revenue amounted in the aggregate to $34.6 million. During the same period the ordinary expenditure amounted to $34.9 million. The average expenditure for the nine years was thus slightly less than $4 million. The total ordinary expenditure of the Province of Ontario for this fiscal year will exceed this sum by nearly sixty times.

This being the year 1950, and, according to the opinion of some, the beginning of the second half of the 20th century, it seems appropriate to look back upon the accomplishments in the fields of science, technology, and human betterment. Whether we have completed the first half of the 20th century or not is unimportant. After all, a century is an entirely artificial division of time. What does really matter is the progress made by this nation and this Province.

A key to our future may be discovered in an examination of our past. We always build for the future upon our past, and our highest ambitions spring from our own experiences as well as from those inherited from our fathers. At any rate, there is no denying the fact that Canada has come full circle. She has attained to a state of nationhood, and has proved that our democracy is strong and that our way of life is constantly being stabilized and improved.

REVIEW OF THE FIRST HALF OF THE TWENTIETH CENTURY

At the gateway of the century we find the figure of a noble woman, Victoria, whose reign extended over such a long period of time that most of her subjects knew no other sovereign. Queen Victoria's death marked the end of an age.

At the turn of the century, Canada, with her seven provinces and her territories, had a population of a little over five million souls; today, her population is approaching fourteen millions. Ontario's population in 1900 was estimated at two million two hundred thousand; it now exceeds four and a half millions.

The new century was barely two years old when it witnessed the close of the South African War in which Canada played a part. In the first and second World Wars, Canada participated to the full extent of her resources, and sustained a loss in human life of more than one hundred thousand killed and missing. In addition, more than double this number were wounded, many of them permanently. The expenditure of the Federal Government on war and demobilization in those two great struggles amounted to $24 billion. Two world wars showed Canada rising to the challenge and fulfilling her destiny in a manner which justifies the high place she occupies in the partnership of nations.

The progress in the first half of this century in scientific and technological developments has been spectacular. I draw your attention to the field of wireless communication, radio and nuclear energy; the progress in air transport and travel, the improvements in the internal combustion engine and the organization of mass-production methods which have revolutionized not only the technique of industry but the whole pattern of

social life. Consider further the advances in medicine, hygiene and hospital care, the working out of a system of public education where there is opportunity for all, the establishment of a great body of welfare services, and finally, in a field in which Ontario has itself contributed so much, the development of hydro-electric power. These and others like them have had a marked effect in giving shape and strength to the Ontario economy.

I have mentioned the development of Hydro. The Commission, established in 1906, began distributing power in 1909. To-day, it is one of the largest integrated power systems in the world. In 1900 only a little over 50,000 h.p. of electrical energy was developed in Ontario by all operators; by 1949 all utilities in the Province were developing about 3 million h.p., a sixty-fold increase. The Province now has a developed capacity of nearly seven-tenths of a horsepower for every man, woman and child. In per capita terms, it produces from its own stations 29 per cent. more power than is generated in the United States and consumes 65 per cent. more.

The second dominant feature in provincial development in the first half of the century is our extensive network of highways which resulted from the invention of the internal combustion engine and the genius for mass-production. First the emphasis had been on the construction of railways; since the first world war it has been on improving highways. The growth of motor traffic after the First World War made more and harder surfaced highways imperative. The first concrete highway in the Province was constructed in 1915 to 1917 between Toronto and Hamilton along the Lakeshore, at a cost of $926,000. This gave impetus to demands for a provincial system of highways. To-day Ontario has 73,000 miles of highways, 8,000 miles of which are surfaced with concrete or bituminous material and 50,000 miles are surfaced with crushed stone or gravel. From less than 200 motor-vehicle registrations in 1900, there are now nearly one million.

The third factor in the first half of the 20th century has been the construction and operation of the Ontario Northland Railway. Construction

of this railway began in 1903. Five years later the railway had been completed as far as Cochrane. It was during the construction of this provincial railway in 1903 that the rich deposits of silver and cobalt were discovered in the Nipissing District. Gold was discovered at Porcupine in 1909 and then at Kirkland Lake in 1911. The railway has materially facilitated the expansion of the pulp and paper industry. This industry has served as a counter pay load to the inbound traffic to the mines. The Ontario Northland Railway has not only created these industries but has promoted farming, established communities, and has pushed back the northern frontier.

There have, of course, been others, such as immigration, the influx of investment capital, the deepening of the Welland Canal and the technological advances in mining, forestry and agriculture, the effects of which should not be underestimated.

In 1900, 57 per cent. of the 2.2 million people in Ontario lived in rural areas as against 66 per cent. today who are urban. Farming was the principal occupation of the people and the vast majority of the settlers from Britain and Europe went on the land. In the last fifty years farming in the Province has changed considerably. The tobacco crop has increased more than thirty-fold to over 100 million lbs. and several new crops such as Soya beans and sugar beets have been added.

The number of horses and sheep has declined but on the other hand the number of cattle and swine has increased. As a consequence of our living standards, the poultry and dairy industries of Ontario have expanded tremendously. For instance, in 1949 Ontario produced in butter ten times its production in 1900, and even this output failed to supply our consumption. Fluid milk finds its way directly to the consumer or to the creamery instead of the cheese factory. Last year fluid milk sales were two and one-half times their level in 1920, indicating a substantial rise in consumption per capita. Ontario with its fine farm lands produces more farm products than any other Canadian province.

In forestry the passage of time has also wrought changes. At the opening of the century several thousand men worked in the great stands

of red and white pine producing about 1½ billion feet board measure of choice lumber. Shortly the day of the white pine man began to decline. This decline has been more than offset by the expansion in the pulp and paper industry. In 1900 there were ten small pulp and paper mills operating in the Province, whose production would not have met the needs of three or four of the large-sized newspapers today. By 1909 the United States was beginning to import pulp and newsprint from Canada on an increasing scale. By 1918 Ontario's pulp and paper production had increased to a value of nearly $50 million. The capacity of the industry now represents an investment in Ontario of over $300 million. In the last thirty years production increased more than four times and the value of its product by nearly seven times.

The pulp and paper industry of Canada accounts for 44 cents of every dollar earned from exports to the United States. In Ontario, the pulp and paper industry is the third ranking industry being exceeded in the value of its output only by automobiles and electrical apparatus and supplies. Ontario alone produces one-seventh of the world's production of newsprint and supplies about one page in every five of American newspapers. About 18,000 workers are employed in the industry. In overall result the value of production of forestry in Ontario last year was twenty-six times greater than that at the opening of this century.

Back in 1900 the nickel copper areas at Sudbury and Copper Cliff had been discovered. At that time the chief metals mined were iron, nickel and copper. The production of iron ore in Ontario in that year was 83,000 tons, as against the 2 million tons last year. In volume, the production of copper and nickel has increased in the last fifty years by thirty-six times. Last year's production of minerals from Ontario amounted to $315 million, being thirty-four times greater than that in 1900. The mining industries of Ontario give employment directly to about 33,000 persons.

One of the most striking changes in the economic life of Ontario has been the growth in manufacturing. In 1900 manufacturers in Ontario worked up materials of $138 million into finished products sold at $242 million. In 1949 the gross value of manufactured products in Ontario was over $6 billion

produced from materials costing $3.3 billion, a twenty-five fold increase.

The number of employees engaged in manufacturing has increased about three-and-a-half times in fifty years, while payrolls have increased twenty-three times.

Virtually none of the public welfare services which are so much a part of our Government program to-day, was in existence in Ontario in 1900. There were no Old Age Pensions, pensions for the Blind, Mothers' Allowances, or Workmen's Compensation; no regulations with respect to maximum hours of work or minimum rates of pay, no vacation pay scheme, and no family allowances or unemployment insurance. Less than 200 motor vehicles were registered in the Province. An infant's chance of living beyond one year was 3½ times less than it is to-day. The chance of a person escaping diphtheria was one hundred and seventy times less than it is now. The mortality rate from typhoid was two hundred and eleven times greater than now and that from tuberculosis four and a half times. Through medical science, better hospital care, higher living standards and a better educated public, life expectancy in Ontario in the first half of this century was increased by over 18 years - in the case of males from 48 to 66 years and in the case of females from 51 to 70 years.

The Workmen's Compensation Act of Ontario was passed in 1914 and became a model for the compensation schemes adopted in all the other provinces. The Mothers' AllowancesAct came into effect in Ontario in 1920. In the same year a Minimum Wages Act was passed by the Ontario Legislature. Ontario introduced old age pensions in 1929 and in 1937 provided for the payment of pensions to blind persons 40 years of age and over. Since that time payments of old age pensions have been raised to $40 monthly. In 1900 there was virtually no provision in the Ontario Budget for social services or education. To-day this Government is spending $114 million for education, health and welfare or one-half of its budget on social services.

REVIEW OF CURRENT CONDITIONS AND OPERATIONS

General Conditions

Business activity in our fiscal year ending March 31, 1950 has been on a high level and we are approaching the end of it in a more promising position than had been thought possible by some last spring. Basically there are many elements of strength. Wages are still continuing to mount in some industries. Pension schemes have been adopted. There is an immense volume of purchasing power in cash and liquid assets in the hands of the people. Most well established businesses are in a sound financial condition. The banking system is strong in liquid reserves and in a position to extend credit where justified. Interest rates are low. The volume of investment for new plant machinery and equipment, which has been one of the most dynamic forces in our prosperity, continues on a high level. It is anticipated, on the basis of forecasts of expenditure by private and public enterprises that the volume of investment in new capital in 1950 will be about the same as last year when over $1.3 billion was invested in Ontario.

There is some evidence that we have passed the peak in the inflationary price rise and have entered into a period of consolidation and levelling off. A levelling off at some stage was inevitable, and we remain confident that the economic structure has the liquid resources and the elements of stability to assure steady economic growth. While some prices have declined, the whole picture gives no indication of a serious deflation. General price indexes have not moved outside a relatively narrow range.

During September the United Kingdom devalued sterling followed almost simultaneously by other countries in the Commonwealth and a day or two later by Canada's partial devaluation in terms of United States currency. The United Kingdom's inability to continue to absorb Canada's farm products on the same scale is the main cause of the sag in prices of agricultural products. The cash income for Ontario farmers in 1949 was an estimated $641 million, about 4 per cent. less than in the preceding year.

Federal-Provincial Matters

The current year has been signalized by the entry into Confederation of the people of Newfoundland and by the convening of a Dominion-Provincial Conference for the purpose of evolving a procedure to amend the Canadian Constitution in respect of matters which are of common concern to the provincial and federal governments. I believe good progress was made at the Conference. The Government of Ontario took the position that there should be set up in Canada a procedure to amend the Constitution in these matters and it looks forward to a realization of this object which will be satisfactory to all parties concerned. The course we adopted at the Conference is, we believe, in full harmony with the wishes of the Parliament of the United Kingdom, which has for some time felt disposed to advise that the power of amending the Canadian Constitution should reside in Canada itself.

Recently on the general subject of Dominion-Provincial relations I had occasion to say that too many people spend too much time emphasizing the difficulties of our Constitution at the same time entirely overlooking the opportunities afforded right now under our Constitution for immediate action in many fields.

One trouble with Dominion-Provincial relations is that the difficulties are exaggerated and the remedies are minimized. That has been the tendency. There is too much indulgence in talk about the great difficulties which are attendant upon making a division of taxing powers and responsibilities. The fact is, that if Dominion-Provincial Conferences were called frequently on specific items, order would shortly evolve out of things in which there had been disorder because of a lack of co-ordination between the efforts of the Dominion and Provincial governments. We should emphasize not the difficulties but the practical means that can be taken quickly to meet problems as they arise.

I think the Constitutional Conference held last January showed that representatives of the provinces and the Federal Government can meet in a spirit of goodwill and arrive at sound conclusions and decisions. My opinion is that the January Conference was the forerunner of many successful

meetings, provided they are held frequently and on specific subjects. After all, to sit down in this day of 1950 and completely rewrite our Constitution and to hope that we would be able to foresee all of the difficulties of the future in a new constitution would be to attempt the impossible. The fact is that constitutional difficulties will always exist and they will be dealt with and solved by the people of various days meeting together and seeking solutions to problems as they arise. The Fathers of Confederation in their time could have no idea of the problems of 1950, nor indeed have we any idea of the problems of 1975 or 2000. There will be able men and women to take care of the situation at that time. We are not the last word. Our problem to-day is to take a constitution which has done a great job for Canada and strengthen it and make it effective in places where we find it may not be working in the light of conditions of 1950. Present problems of public investment, full employment and social security can be effectively dealt with by methods that the provinces and the Dominion can arrive at in conference. There is no need as a preliminary to change the character and nature of our constitution. What we need is to introduce a little spirit of co-operation, goodwill, determination, and the machinery to get things done. And as far as this Government is concerned, we have already started.

Highways

During the year over 98,000 additional vehicles were registered, making a 30 per cent. increase since 1939. Total registrations are near the million mark.

To increase the capacity of Ontario's highways, county and township roads and municipal streets, this Government in the current year has spent $35 million on capital. Shortages of cement and reinforcing steel still handicapped bridge and paving work.

Subsidies to counties, townships, cities, towns and villages and other municipal organizations now exceed the total expenditure on King's highways in pre-World War II years. A larger subsidy is now being paid to the cities alone than was paid to all municipalities in 1935. Expenditure for development roads under agreement with the municipalities was doubled in 1949. The equipment pools were augmented by new machinery units to meet

the increasing demand for modern equipment.

As in previous years, heavy expenditure was required to keep the highways open and suitable for travel in winter months. Ontario leads all other provinces and the northern states in the matter of keeping the highways clear of snow. This work requires an extensive organization and heavy equipment. A comprehensive road reporting service on a 24 hour basis with extensive use of teletype is being provided to give the motoring public immediate information on driving conditions from November to April.

Hydro Development

The capital construction being undertaken by the Hydro-Electric Power Commission of Ontario for the current fiscal year ending March 31, 1950 is estimated at $149.7 million. This expenditure represents a portion of the Commission's overall postwar program to meet the increasing load demands of the Ontario people. When the program is completed in 1952 a total generating capacity of approximately 1,666,000 h.p. will have been added to the power supply of Ontario. Of this amount, 318,000 h.p. has already been placed in operation and an additional 496,000 h.p. is expected to be brought into service by the end of 1950 with which possibilities of power shortage will diminish.

Housing

Honourable Members will recall that two years ago this Government pioneered a plan for making second mortgage loans on housing units available as a practical means of easing the housing shortage in Ontario. That this plan has been successful in achieving its objective has been generally acknowledged.

The Province continued to receive applications for second mortgage loans up to December 31, 1949, and it is expected that by March 31, 1950, 15,164 Ontario second mortgage loans will have been approved, involving a total loan value of $16.8 million.

I should point out that under the provisions of the Ontario Housing Development Act, 1948, this Government, in addition to the second mortgage loans, undertook to reimburse the municipalities of Ontario for one-half the cost of acquiring land and installing services up to a limit of $300 per house.

Approximately 3,000 houses in 49 different projects will qualify for grants. This plan is now being absorbed in the more comprehensive plan evolved from Federal-Ontario discussions. As the number of housing units completed in Ontario last year exceeded the net increase in families by over 6,000 units, more progress was made in meeting the backlog of housing demand than in any previous year.

Agriculture

Agriculture is the bedrock of our economy and a prosperous agricultural industry spells security of jobs whether in manufacturing, mines, forests or on the farm itself.

The important job upon which the Department of Agriculture is now concentrating is to provide greater support for the marketing of farm produce. Our program is designed in co-operation with the farmer to speed the flow of his products to a ready market and to secure for him new markets. The problem is being attacked from three sides - by Research, Extension and Education, in which the various institutions and branches of the Ontario Department of Agriculture play an active part.

Farm research and experimental work have been growing steadily. Nearly a half million dollars will be spent on agricultural research this year. At present, there are more than three hundred individual research projects being carried on by the Department and to ensure that new developments in research and science can be translated quickly into farm practice, the Extension staff is being strengthened.

As I said in my last year's Budget Address, the aim of this Government is to improve rural farm life. The program is many-sided. It includes, besides those services I have described above, the provision of clear highways, grants for education, rinks, athletic fields and community halls and financial aid for the distribution of electric power to farm residents.

During the twelve months ended October 31, 1949 a record number of miles of rural power lines was constructed. In that period the Hydro-Electric Power Commission of Ontario constructed 4,738 miles of rural power lines and added 35,206 rural power consumers. Under this Government, 11,817 miles of rural line extensions have been constructed - 37 per cent. of the total mileage

and 119,454 rural dwellers, representing 47 per cent. of the total, have been provided with service.

Natural Resources

Last year I announced that both the Departments of Mines and Lands and Forests were undertaking expanded programs to aid in the utilization and conservation of the rich heritage which lies in the northern sections of our Province. Honourable Members will agree with me that the wealth of our forest and minerals is a great trust and in planning our program we must have regard not only for the immediate requirements of our people but for the interests and needs of the generations to follow.

The task of photographing Ontario's forest resources is practically completed and it is expected that the preparation of topographical maps will be completed in the next fiscal year. As each section of the forest inventory is finished, more advanced management of our forest resources is introduced. One of the concrete signs of growing consciousness of the public in reforestation has been the sharply increased demand for nursery stock. To accommodate this increased demand, production facilities of the Department's nurseries have been substantially expanded.

The Department of Mines is continuing its policy of active exploration in the Province's mineral wealth and of providing services to encourage prospecting. That the search for new deposits is far from languishing is illustrated by the fact that the total number of miners' licenses to prospect taken out or renewed increased in 1949 by 1,300 over the previous year, while the number of claims recorded increased by 5,000 over the number recorded in 1948.

The total value of the Province's mineral production in 1949, as I pointed out, was $315 million, $21 million above last year and the largest in history.

Last year there was considerable exploration and development of asbestos carried on in the district of Matheson on the Ontario Northland Railway. Asbestos has not heretofore been produced commercially in Ontario, but a new mill for its production is nearing completion and it is expected to be in operation this year. Other asbestos properties are being explored and further developments in this field are expected.

Health and Welfare

While our object has been the even development of the Province from a material standpoint, we have not overlooked the major contribution that the provincial services of education, health and welfare make to human betterment.

Our approach to the problems of health has been broadly based. We have sought to utilize the full resources of public and private voluntary agencies at both provincial and municipal levels. We have aimed not only to raise the standards of hygiene and health but to alleviate or remove many of the financial burdens arising from human impairment.

The system of making grants towards new public hospital construction introduced by this Government in 1947 is being continued. Besides these grants for construction there are grants for upkeep and maintenance. Capital grants in the present fiscal year will amount to $2.2 million, while maintenance grants to hospitals will total $6.1 million and those to sanatoria $4.8 million.

In addition to these activities, we have had to give further consideration to the problem of water pollution. Honourable Members will recall the diverse forms in which this problem has emerged. Water pollution must be controlled to safeguard our health, our water supplies, swimming beaches, wild life and recreational facilities. During the past year we have been engaged in discussions with the appropriate Federal authorities to secure more effective control. The sudden growth of population in some municipalities has overtaxed their sanitation facilities.

I am confident that the House will not wish these services to be curtailed, and with your approval, we propose to continue a progressive policy to extend the gains in health standards which are so well recorded in the figures I gave in my review of the first half of this century.

In our plan for human betterment, we are not forgetting the old aged or the needs of others in our population. In the current fiscal year ending March 31, 1950, the Department of Public Welfare will spend $21.8 million, half of it for old age pensions and pensions for the blind and approximately half of the remainder for mothers' allowances.

During the Session last year I announced that the Government would

increase its bonus to old age and blind pensioners by the amount of $2.50 per month to each pensioner eligible for the full pension, making the payment by the Province equivalent to 25 per cent. of a pension of $40 monthly. Some time later the Federal Government declared its willingness to participate in an increased basic pension of $40 per month. In the nine months up to December 31, 1949, the number of old age and blind pensioners rose from 80,483 to 86,293 - an average monthly increase of 646.

Education

Enrolment in our provincial schools has increased by 81,000 in the last six years and it now stands at over 727,000. To provide accommodation for this increased enrolment where it is needed, a large school building program has been undertaken. In the past year it reached full volume. Two hundred and eight new schools, or substantial additions to existing schools, have been completed at a gross construction cost of about $25 million, providing new accommodation for more than 27,000 pupils. In the coming school year it is expected that 228 school buildings will be completed, providing facilities for an additional 32,000 pupils. By September, 1951, Ontario will have largely overcome the shortage of functional school buildings, which has been a legacy of two World Wars, and the Province will compare favourably with any similar area in Europe or North America. The technical institutes all show an increase in attendance. For instance, enrolment at the Ryerson Institute of Technology in day and night courses has doubled, rising from 1,250 to 2,400.

Public Investment

I have already outlined the capital investment which has been undertaken in the various fields of highways, hydro and hospitals. Construction of the Ontario Hospital School at Smiths Falls is being pushed forward. Facilities at the Ontario Agricultural Colleges and the experimental stations have also been increased. Radio transmitter stations, lock-ups and other buildings have been erected for the Ontario provincial police. A wide range of facilities has been provided in connection with the conservation of timber, wildlife and other natural resources. Buildings

have been erected at our Industrial Farms, and storage dams constructed in the Muskoka area. Expenditures of the Department of Public Works, including repairs and maintenance to various buildings and facilities, will this year total $11.0 million.

The largest public investment program being carried on in Ontario is that of the Hydro-Electric Power Commission of Ontario which in this fiscal year ending March 31 will spend on new construction and equipment, $150 million, an average of over $12 million a month. The direct capital investment program of the Provincial Government this year is about $75 million, and the approximate current monthly rate is over $6 million. Capital investment for highways makes up nearly one-half of this total with most of the balance being spread over public works, resource development and rural power extensions. The Ontario Northland Railway's capital expenditure was about $900,000 and the University of Toronto's $2.4 million. Last year, Ontario municipalities spent $88 million on capital investment and their current monthly outlay on new works is now over $7 million. In all, total provincial-municipal capital investment in 1949 was $300 million. The average monthly rate, including housing projects financed by Ontario Government loans, exceeds $31 million.

COST OF GOVERNMENT

In last year's Budget I mentioned that the world had been passing through a period of inflation unsurpassed in magnitude since the first World War. I pointed out that this had reflected itself in cost of government. This trend has been apparent during the past year. Despite this, 15 of the departments or sections shown in our Estimates, have been able to live within the funds voted by the Legislature last year. In 11 departments or sections there have been increases, all of which have been small, with the exception of $1,595,200 in Education, which is largely accounted for by additional assistance to universities and adjustments in grants to primary and elementary school boards. Our ordinary expenditures on Highways show an increase of $8,732,000. This is accounted for by the fact that our highways had suffered greatly in wear and tear during the war years,

and due to favourable weather conditions, combined with buoyant revenues from highways, it was felt that as much work as possible should be completed in order that our highway system might be maintained at a high state of efficiency. The other item was the devaluation of the Canadian dollar in September last which increased the cost of principal and interest payable in United States currency. I am gratified by the extent to which all departments met the difficult adjustment period in the last year and held their expenditures in hand. I am asking all departments to continue this policy in order to ensure that the people of the Province have the benefit of economy in administration, combined with the very best value obtainable from every dollar of our expenditure.

Our revenue increases arise from the buoyant business conditions in the Province and the importance of Ontario's position in the national economy. During the year business conditions in this Province have been greatly stimulated by the developmental projects of this Government, which are all tending to a more prosperous Province. Daily with greater power resources and facilities more industry is being directed to this Province with greater revenue. The public investment plans of the Government are all calculated to increase revenue and to better business conditions in the Province.

With the permission of the House, I now table the Interim Statement of Ordinary Revenue for the Fiscal Year, April 1, 1949 to March 31, 1950, consisting of ten months' actual receipts and two months' forecast. Our estimated net receipts of ordinary revenue amount to $224,033,800.

Interim Statement of Ordinary Revenue
Fiscal Year April 1, 1949 - March 31, 1950
10 Months' Actual - 2 Months' Forecast - 12 Months

Department	Gross Ordinary Revenue $ ¢	Application of Revenue to Expenditure $ ¢	Net Ordinary Revenue $ ¢
Agriculture	885,000.00		885,000.00
Attorney-General	1,744,000.00	321,700.00	1,422,300.00
Education	1,695,000.00	196,500.00	1,498,500.00
Health	2,600,000.00	15,200.00	2,584,800.00
Highways			
Main Office and Branch	10,000.00		10,000.00
Gasoline Tax Branch	57,600,000.00		57,600,000.00
Miscellaneous Permits Branch	140,000.00		140,000.00
Motor Vehicles Branch	16,200,000.00		16,200,000.00
	73,950,000.00		73,950,000.00
Insurance	298,000.00		298,000.00
Labour	224,000.00	10,900.00	213,100.00
Lands and Forests	10,800,000.00		10,800,000.00
Mines	3,026,000.00	8,600.00	3,017,400.00
Municipal Affairs	316,000.00		316,000.00
Provincial Secretary	723,000.00		723,000.00
Provincial Treasurer			
Main Office - Subsidy	3,155,000.00		3,155,000.00
- Interest	71,000.00		71,000.00
Liquor Authority Transfer Fees	655,000.00		655,000.00
Liquor Control Board	37,500,000.00		37,500,000.00
Controller of Revenue Branch			
Succession Duty	14,500,000.00		14,500,000.00
Corporations Tax	65,000,000.00		65,000,000.00
Race Tracks	3,670,000.00		3,670,000.00
Security Transfer Tax	910,000.00		910,000.00
Land Transfer Tax	1,350,000.00		1,350,000.00
Law Stamps	650,000.00		650,000.00
Miscellaneous	33,000.00		33,000.00
Motion Picture Censorship and Theatre Inspection Branch	264,000.00		264,000.00
Province of Ontario Savings Office	490,000.00	490,000.00	-
	128,248,000.00	490,000.00	127,758,000.00
Public Works	46,000.00	3,000.00	43,000.00
Reform Institutions	2,311,000.00	1,786,300.00	524,700.00
	226,866,000.00	2,832,200.00	224,033,800.00
Public Debt - Interest, Exchange, etc.	5,727,000.00	5,727,000.00	-
	232,593,000.00	8,559,200.00	224,033,800.00

I also table the Interim Statement of Ordinary Expenditure for the same fiscal period. Our Net Ordinary Expenditure, including public debt interest will amount to $202,403,800. In addition, we are providing $20,626,000 for sinking funds, which makes an overall expenditure of $223,029,800.

Interim Statement of Ordinary Expenditure
Fiscal Year April 1, 1949 - March 31, 1950
10 Months' Actual - 2 Months' Forecast - 12 Months

Department	Gross Ordinary Expenditure $ ¢	Application of Revenue to Expenditure $ ¢	Net Ordinary Expenditure $ ¢
Agriculture	7,411,000.00		7,411,000.00
Attorney-General	10,083,000.00	321,700.00	9,761,300.00
Education	51,390,000.00	196,500.00	51,193,500.00
Health	24,382,000.00	15,200.00	24,366,800.00
Highways	42,232,000.00		42,232,000.00
Insurance	107,000.00		107,000.00
Labour	987,000.00	10,900.00	976,100.00
Lands and Forests	9,916,000.00		9,916,000.00
Lieutenant-Governor	12,000.00		12,000.00
Mines	796,000.00	8,600.00	787,400.00
Municipal Affairs	1,348,000.00		1,348,000.00
Planning and Development	1,932,000.00		1,932,000.00
Prime Minister	77,000.00		77,000.00
Provincial Auditor	201,000.00		201,000.00
Provincial Secretary	880,000.00		880,000.00
Provincial Treasurer	3,057,000.00	490,000.00	2,567,000.00
Public Welfare	21,757,000.00		21,757,000.00
Public Works	3,183,000.00	3,000.00	3,180,000.00
Reform Institutions	6,475,000.00	1,786,300.00	4,688,700.00
Travel and Publicity	579,000.00		579,000.00
Stationery Account	20,000.00		20,000.00
	186,825,000.00	2,832,200.00	183,992,800.00
Public Debt:-			
Interest, Exchange, etc.	24,138,000.00	5,727,000.00	18,411,000.00
Sinking Fund Instalments and Railway Aid Certificates	20,626,000.00		20,626,000.00
	231,589,000.00	8,559,200.00	223,029,800.00

I also table a Summary of Ordinary Revenue and Ordinary Expenditure for the Fiscal Year April 1, 1949 to March 31, 1950. This Summary shows an Interim Surplus of $1,004,000. This surplus will also be devoted entirely to the reduction of the Net Debt of the Province.

SUMMARY

Ordinary Revenue and Ordinary Expenditure
Fiscal Year April 1, 1949 - March 31, 1950
10 Months' Actual - 2 Months' Forecast - 12 Months

Net Ordinary Revenue	$ 224,033,800.00
Less: Net Ordinary Expenditure (before providing for Sinking Funds and Maturing Railway Aid Certificates)	202,403,800.00
Surplus - (before providing for Sinking Funds and Maturing Railway Aid Certificates)	$ 21,630,000.00
Less: Provision for Sinking Funds and Maturing Railway Aid Certificates	20,626,000.00
Interim Surplus	$ 1,004,000.00

I have made comparisons in this speech with conditions which existed in the first fifty years of this century, and I am able to tell the House that never in that fifty years have we had seven consecutive surpluses such as it has been my great privilege to announce. I feel that the people of this Province can rest assured that the management of their affairs in this period has been on the soundest possible lines, particularly in days which have been full of difficulty.

I also table an Interim Statement of Capital Receipts, and a Statement of Capital Payments for the Fiscal Year April 1, 1949 to March 31, 1950.

Interim Statement of Capital Receipts
Fiscal Year April 1, 1949 - March 31, 1950
10 Months' Actual - 2 Months' Forecast - 12 Months

Department	Gross Capital Receipts $ ¢	Application of Receipts to Payments $ ¢	Net Capital Receipts $ ¢
Highways	695,000.00		695,000.00
Labour	5,600,000.00		5,600,000.00
Lands and Forests	628,000.00		628,000.00
Mines	30,000.00		30,000.00
Provincial Secretary	3,758,000.00		3,758,000.00
Provincial Treasurer	41,270,000.00		41,270,000.00
Public Welfare	28,980,000.00	28,980,000.00	-
Public Works	40,000.00		40,000.00
	81,001,000.00	28,980,000.00	52,021,000.00

Interim Statement of Capital Payments
Fiscal Year April 1, 1949 - March 31, 1950
10 Months' Actual - 2 Months' Forecast - 12 Months

Department	Gross Capital Payments $ ¢	Application of Receipts to Payments $ ¢	Net Capital Payments $ ¢
Agriculture	11,050,000.00		11,050,000.00
Health	13,100,000.00		13,100,000.00
Highways	35,316,000.00		35,316,000.00
Labour	5,435,000.00		5,435,000.00
Lands and Forests	4,630,000.00		4,630,000.00
Provincial Secretary	1,350,000.00		1,350,000.00
Provincial Treasurer	1,141,000.00		1,141,000.00
Public Welfare	28,980,000.00	28,980,000.00	-
Public Works	7,630,000.00		7,630,000.00
Miscellaneous	150,000.00		150,000.00
	108,782,000.00	28,980,000.00	79,802,000.00

PROVINCIAL DEBT

I have in my Budget addresses always emphasized the importance of our credit position, that is, the ability of the Province and its subsidiaries to borrow money readily at the lowest possible rates of interest. The great developmental projects of the last few years have required very large sums of money - in fact unprecedented in any provincial financing. The credit of the Province and its subsidiaries is in excellent condition, with the result that we have been able to obtain excellent accommodation from the investing public from whom we obtain the funds for the development of our Province. This year the public investments of this Government, not including the projects of the Hydro-Electric Power Commission, the Ontario Northland Railway, the Housing Commission and other subsidiaries which are self-liquidating, but including our capital advances for Highways, Public Works and Rural Power Extensions, amount to $57,826,000. We have increased our Sinking Fund provisions from $5,626,000 to $20,626,000, and we are applying our surplus to further debt reduction,which means that we are actually paying on capital account from current revenues the huge sum of $21,630,000. This demonstrates very clearly the excellent financial position of the Province. In fact, of every dollar of capital expenditures we have paid over one-third from our Ordinary Revenue. Such a policy assures the financial stability of the Province and clearly demonstrates to the public, who is loaning the money, the capacity of Ontario to meet its obligations.

I now table the statements of Gross Debt, Net Debt, the Funded Debt and the Indirect Debt.

PROVINCE OF ONTARIO

DETAIL SUMMARY ACCOUNTING FOR ESTIMATED INCREASE IN GROSS DEBT

FOR THE FISCAL YEAR TO END ON MARCH 31, 1950.

Estimated Gross Debt as at March 31, 1950.....			$ 698,124,174.77
Gross Debt as at March 31, 1949.....			628,662,860.20
Estimated Increase for the fiscal year to end on March 31, 1950			$ 69,461,314.57
Gross Debt Increased by:			
Capital Disbursements -			
Disbursements on Highways, Public Buildings, Works, etc.....		$ 57,826,000.00	
Less - Capital Receipts.....		740,000.00	
		$ 57,086,000.00	
Discount on Debentures, issued during year...		1,212,500.00	
Increase in Income Liabilities.....		778,000.00	
Increase in Loans Receivable -			
Tile Drainage.....	$ 70,000.00		
Co-operative Marketing Loans..	176,300.00		
Guaranteed Debentures Redeemed	8,800.00	255,100.00	
Housing Corporation Limited - Investments....		11,740,000.00	
Increase in Cash on Hand and in Banks.....		24,543,500.00	$ 95,615,100.00
Gross Debt Decreased by:			
Provision charged to Ordinary Expenditure -			
Retirement of Railway Aid Certificates.....		$ 3,785.43	
Sinking Fund Instalments.....		20,622,000.00	
Estimated Surplus on Ordinary Account.....		1,004,000.00	
		$ 21,629,785.43	
Discount on Debentures, written-off.....		516,000.00	
Net Repayments on Loans Receivable -			
Hydro-Electric Power Commission of Ontario.....	$ 1,659,000.00		
Agricultural Finance Act Investments.....	2,155,000.00		
Miscellaneous.....	188,400.00	4,002,400.00	
Increase in Reserves.....		5,600.00	$ 26,153,785.43
Estimated Increase for the fiscal year to end on March 31, 1950			$ 69,461,314.57

PROVINCE OF ONTARIO

ESTIMATED INCREASE IN THE NET DEBT

AS AT MARCH 31, 1950.

Estimated as at March 31, 1950 -	
Estimated Gross Debt.....	$ 698,124,174.77
Less - Estimated Revenue Producing and Realizable Assets..	177,380,105.14
Estimated Net Debt.....	$ 520,744,069.63
As at March 31, 1949 -	
Gross Debt.....	$ 628,662,860.20
Less - Revenue Producing and Realizable Assets.....	144,987,705.14
Net Debt.....	$ 483,675,155.06
Estimated Increase in Net Debt.....	$ 37,068,914.57

THE FUNDED DEBT OF ONTARIO

DETAILED SUMMARY OF ESTIMATED CHANGES

FOR THE FISCAL YEAR TO END MARCH 31, 1950.

As at March 31, 1949 (after deducting Sinking Funds)		$ 534,819,635.23
Add: Sale of Debentures		
BR - 2½% due November 1, 1954.....	$ 15,000,000.00	
BR - 3 % due November 1, 1965.....	45,000,000.00	
BS - 3 % due December 15, 1970.....	40,000,000.00	
TI - 4½% due November 1, 1952.....	4,000,000.00	104,000,000.00
		$ 638,819,635.23
Less: Redemptions:		
AL - 4 % due May 15, 1949.....	$ 715,000.00	
AP - 4½% due May 15, 1949.....	658,000.00	
AS - 4 % due June 1, 1949.....	615,000.00	
BM - 1¼% due July 15, 1949.....	500,000.00	
RZ - 2½% due August 1, 1949.....	1,000,000.00	
AK - 4½% due November 1, 1949.....	800,000.00	
RS - 3 % due November 1, 1949.....	1,050,000.00	
BH - 3¼% due November 15, 1949.....	12,000,000.00	
BL - 3½% due December 1, 1949.....	9,000,000.00	
AH - 4½% due December 1, 1949.....	696,000.00	
RAD - 1 3/4% due December 15, 1949..	2,000,000.00	
AJ - 4½% due January 15, 1950.....	800,000.00	
AR - 4½% due January 15, 1950.....	509,000.00	
BN - 1¼% due January 15, 1950.....	1,500,000.00	
RB - 3 % due January 15, 1950.....	1,000,000.00	
	$ 32,843,000.00	
Railway Aid Certificates.....	3,785.43	
Increase in Sinking Fund Investments Current Year.....	20,622,000.00	53,468,785.43
Estimated as at March 31, 1950 (after deducting Sinking Funds).....		$ 585,350,849.80

SUMMARY

New Issues	$ 104,000,000.00
Less - Redemptions and Increase in Sinking Fund.....	53,468,785.43
Net Increase in Funded Debt	$ 50,531,214.57

PROVINCE OF ONTARIO

CONTINGENT LIABILITIES, BONDS, ETC., GUARANTEED BY THE PROVINCE

ESTIMATED AS AT MARCH 31, 1950.

Total as per Public Accounts, March 31, 1949		$ 259,226,684.66
Add - New Guarantees or Increases for the Fiscal Year to end on March 31, 1950 -		
Co-operative Marketing Loans.....	$ 27,000.00	
Power Commission.....	145,000,000.00	
Railways	5,000,000.00	
Universities	7,500,000.00	157,527,000.00
		$ 416,753,684.66
Less - Principal Maturities redeemed or to be redeemed during the Fiscal Year to end on March 31, 1950 -		
Municipalities	$ 4,570.04	
Park Commissions	200,600.00	
Power Commission	15,000,000.00	
Railways	165,000.00	
Schools	106,332.95	
Universities	66,962.63	
Ontario Stock Yards Board	50,000.00	15,593,465.62
		$ 401,160,219.04
Less - Sinking Fund Deposits for the Fiscal Year to end on March 31, 1950		842.28
Estimated Contingent Liability of the Province as at March 31, 1950		$ 401,159,376.76

SUMMARY

Estimated Contingent Liability of the Province as at March 31, 1950	$ 401,159,376.76
Contingent Liability of the Province as at March 31, 1949	259,226,684.66
Estimated Increase	$ 141,932,692.10

WAYS AND MEANS

In embarking upon our program for the Fiscal Year 1950-51 our chief concern as a government is the necessity for consolidating gains already made during the last seven years. We aim to improve our position by dealing with every problem in accordance with sound principles of government. This calls for continued progress along orderly and economical lines.

It has been the policy of this Government to preserve our fiscal autonomy - to keep our independence and thus to prove a help rather than a hindrance to the Federal Government. To appreciate some of the results of this policy, consideration should be given to the accomplishments made by this administration during a seven-year period of operations. Most impressive has been the manner in which this Government has met the heavy demands upon the Treasury for expenditures both Ordinary and Capital, and, at the same time, has maintained Ontario's favorable debt position. On March 31, 1943, the Net Debt of the Province amounted to $495,441,000. At March 31, 1950, it is estimated that the Net Debt of the Province will amount to $520,744,000. This latter is an estimated figure. Judging from the Government's previous record, it is quite possible that the Net Debt of the Province will not approach the amount of $520,744,000 when the final figures for this fiscal year are determined. At any rate, with a $25 million increase in the Net Debt, over a seven years' period, it is most gratifying for me to be able to report to the House that during the period from March 31, 1943 to March 31, 1950 there has been added to the Capital Assets of the Province the following:

Improvements to Highways	$117,514,862.86
Provincial Lands and Buildings	18,790,984.97
Rural Power Transmission Lines	28,243,568.00
Sundry	3,600,840.39
Total	$168,150,256.22

During the same period, expenditures on what might properly be called "Human Resources of the Province" exceed a total of $513 million made up as follows:

Agriculture	$ 48,592,598.80
Education	241,084,424.58
Health	120,334,540.42
Public Welfare	103,873,572.58
Total	$ 513,885,136.38

In order that this most impressive result of our management of the Public Debt of the Province may be fully appreciated, may I point out that whereas the Net Debt of the Province at March 31, 1943 amounting as it did to $495,441,000, represented a per capita Net Debt of $127.56, our Net Debt position expressed in terms of today's population denotes a per capita Net Debt of $115.72, or a reduction in the per capita Net Debt of the Province of $11.84.

With an increase in the physical assets amounting to $168,150,256, the result means an enrichment because of our Public Investment Policy in an amount per capita of $37.36.

Public Investment

As I have stated, the public investment program for the fiscal year 1949-50 is the largest in the history of the Province. Much of this investment in capital assets is self-liquidating and of that which is not self-liquidating and is payable from taxes, approximately one-third has been paid from current revenue. The program for the coming year 1950-1951 will be larger than last year. This program, however, is also largely self-liquidating, and where it is not we confidently expect it will increase the revenues of the Province, particularly highway revenues.

One of the projects which will be started is a head office for the Workmen's Compensation Board. This building will not be a direct charge on the revenues of the Province; it will be self-liquidating. This also applies to the Osgoode Hall annex, which will be paid for by the Boards

occupying the building. A start will be made on the Treasury Building to be erected at Queen's Park Crescent and Grosvenor Street, and work will be continued on the big East River and its tributaries in the Muskoka area. These control dams will permit the storage of water and will prevent flooding. Work on the new control outlet tunnel from Lake Nipissing will further reduce property damage in the vicinity of North Bay.

To provide for these increased activities the Estimates of the Department of Public Works on Ordinary Account are being increased to $3.5 million, while expenditures on Capital Account are estimated at $15.0 million.

Our Highway program has already been referred to in this House. The Province is embarking on a larger expenditure for highways which will bring to the Treasury expanded revenue. This year Capital Expenditures for highways are estimated at $46.7 million. These estimates do not include expenditures which it is expected will be made on trans-Canada highways upon which we receive credits from the Federal Government for works which are already completed on roads incorporated in this system. Our Capital Expenditures will, therefore, be increased by the amounts which it is anticipated we will receive by way of credits, calculated on the basis of an arbitrated fifty per cent. in value, for the roads we have already constructed.

Capital expenditures of the Ontario Hydro-Electric Power Commission will slightly exceed those of the current fiscal year of approximately $150 million. The Ontario Northland Railway is plowing back its earnings into capital equipment to maintain and better the efficiency of that system. It is anticipated that the combined capital expenditures of the Province, its subsidiaries and the municipalities, will be on a greater scale in the coming year than in the past, all of which will contribute very greatly to business and employment conditions in the Province.

Housing

The sum of $1,140,000 is being placed in the Estimates to meet our Ordinary Expenditures in our over-all housing program which will be carried out in co-operation with the Federal authorities. Costs will be shared 75 per cent. by the Federal Government and 25 per cent. by the

Provincial Government. The extent of Capital Expenditures under this project will be dependent upon arrangements made this year between the Federal Government and the Province of Ontario. The grant next year in aid of the Regent Park Housing Project of the Toronto Housing authority is estimated at $208,000.

Federal - Provincial Relations

In Ontario we have comparatively little multiple taxation. In fact, we have only a very small proportion of the multiple taxation which exists in the country to the south, and particularly in the states which lie adjacent to Ontario. For instance, in most of these states there are separate income tax imposts for municipal, state and the federal governments. In Ontario this has largely been eliminated. There, of course, is a joint occupancy of the corporation tax and succession duty fields and, while the Province has a taxing statute in the income tax field, the same has been suspended from year to year. In the last half dozen years, in succession duties, by arrangements which we started with our sister province of Quebec, there has been an almost complete elimination of multiple taxation with other provinces and states. As between the federal and provincial governments, we are very anxious to arrive at measures which will completely remove inconvenience to taxpayers by obviating duplication of forms. For instance, there is no reason why either one of the jurisdictions should not make assessments which would be accepted by the other. In the three very important fields of corporation tax, income tax and succession duties, it is apparent that there must be a sharing of the fields between the federal and provincial governments. Arrangements for sharing of the fields can be so simplified that each jurisdiction will have its direct interest in the same, but with arrangements so simplified that as far as the taxpayer is concerned, there will be no multiplicity. I do not believe this is a complicated matter. Again I repeat that difficulties in federal-provincial relations are often exaggerated and the remedies minimized. The task is made to appear much harder than it is. I am quite satisfied that by frank talks both at government and administrative levels any difficulties which

existed in the past could be obviated.

In 1947, at the time of the termination of the Dominion-Provincial Tax Suspension agreements, the Province, in order to permit the Federal Government to reduce taxation, did not re-enter the personal income tax field. In the years 1947-1948-1949 there were fairly substantial reductions in Federal income taxation. The Province did not, however, re-impose an income tax, although the Federal Government had offered and had subsequently passed an act, set out in section 32 of the Income Tax Act (Canada), chapter 52, 1948, passed June 24, 1948, providing that, if the Province imposed a tax not exceeding 5 per cent. of the Federal tax, the same would be deductible by the taxpayer from the tax which would otherwise be payable by him to the Federal treasury. In fact, therefore, the Federal legislation provided that the Ontario taxpayer could pay to the Province 5 per cent. of his Federal income tax and that the same would be deductible from the amount which he would pay to the Federal treasury.

In this House on several occasions members, particularly in the Opposition, have raised the point that by reason of Ontario's refraining from imposing this tax, the Federal Government was actually collecting the full 100 per cent. tax from the taxpayer and was not giving to the Province of Ontario the 5 per cent. credit to which it was not only morally entitled but to which it was entitled under statute. As was stated in the Budget presentations of 1947, 1948 and 1949, this was done intentionally to assist and encourage the Federal Government in making tax reductions to our people. In 1950 the situation is altered and the Provincial Government is faced with very large work projects which come from the postponement of public works during the war and adjustment years. Now it is desirable to do these works both because of need and also because of the necessity of providing employment for our people. Therefore, it has been felt because of the Dominion-Provincial Conference which will take place this autumn that the Provincial Government should be in a position to claim these monies, which are actually due to the Province, providing the Province can show that by appropriate taxing statutes the tax could be imposed by the Province.

In 1936 the Province imposed an income tax, which was suspended by the Tax Suspension Agreements of 1942. Since the expiration of these agreements in 1947, this Act has been suspended each year by a tax suspension statute, but the old statute of 1936 has not been altered. It is now intended to repeal the 1936 statute and pass a new act which would enable the Province to impose a tax not exceeding 5 per cent. of the Federal tax and which in case of imposition would be deducted from the Federal tax thereby not raising the level of taxation of any Ontario taxpayer. This statute will come into effect on proclamation and will be accompanied by a complementary statute which will permit the Province to enter into an arrangement with the Federal Government whereby the Federal Government would pay over to the Province 5 per cent. of the tax collected from the Ontario taxpayers, without the Ontario taxpayer filing any income tax or other return with the Ontario Government. The effect of this statute would be to rent the personal income tax field to the Federal Government on the payment to Ontario of an amount equal to 5 per cent. of the taxes paid by Ontario taxpayers to the Federal authorities.

It is considered desirable, in view of the approaching Dominion-Provincial Conference, that the Government of Ontario should have a taxing statute designed to meet present conditions, and particularly the section of chapter 52 of the Federal Income Tax Act, and that this Government should have authority by statute to make an arrangement with the Federal Government for the collection and payment to the Province of Ontario of 5 per cent. of the Federal tax above referred to. Bills to this effect will be submitted to the House for consideration. The Government, however, takes this position that it desires in every way possible to avoid the imposition of multiple taxation, and that the statute would only be proclaimed on an agreement being arrived at with the Federal Government for the collection and payment to the Province of 5 per cent. of personal income tax paid by Ontario taxpayers, without the submission of separate forms to the Province and the remission of 5 per cent. of the tax to the Province. The Government would not otherwise impose this tax without re-submitting the matter to the Legislature. The Government therefore hopes that we may be able to make arrangements with the

Federal Government by which it will pay quarterly, or at such other convenient time, to the Treasurer of Ontario 5 per cent. of the amount paid to the Federal Government by Ontario taxpayers, without the necessity of the taxpayer filing any forms with the Provincial Government or making any remittances to the Provincial Government, and without raising the level of taxation which he now or in the future would make to the Federal Government. It is estimated that under present rates of taxation, the Federal Government is presently collecting between $13 million and $16 million annually of personal income taxes which under the above arrangement would properly be payable to the Province of Ontario. In event of such agreement being reached, the intention of the Government is, for this year, to apply the sum payable by the Federal Government to the Sinking Fund provisions for debt retirement set out in this Budget. As has been reiterated on many occasions, the Government considers its credit position of the utmost importance to the people of this Province, and therefore with a heavy public program such as has been outlined, it is felt that everything that can be applied to debt reduction should be done, and therefore the intention is to apply these monies to the Sinking Fund provisions, which will keep the Province's credit position strong.

Another important matter arising under Federal-Provincial tax relations is that relating to the tax on logging operations. The principle of this matter was met in Mining Tax in 1947 but due to certain complications the matter of logging tax was not dealt with at that time. Conferences are now being held between the Federal and Provincial authorities to permit the operation of arrangements which were proposed by the Federal Government in 1945-46.

At that time the Federal Government accepted the principle that the Province should have priority in the field of revenue from natural resources. In its submission to the Dominion-Provincial Conference in 1945 the Federal Government stated that, 'Mining royalties, crown dues and other similar provincial charges are closely bound up with each Provincial Government's management of and expenditure on its forests and mineral resources. These charges are recognized costs of operations

and as such can be deducted from taxable income for Dominion tax purposes." The Federal Government recognized that provincial taxes on profits from mining and logging operations are in the same category and should be treated for the purpose of Federal taxation as a deduction. This proposal was set out in the Federal Budget Address of June, 1946, and has been translated into the Dominion statutes as section 11 of The Income Tax Act above referred to. As stated, in 1947 the Province took advantage of the proposal in relation to Mining Tax, but because of the difficulty in determining logging profits, the other matter was allowed to stand for the time being. Discussions are now being held with the Federal authorities in order to establish methods and accounting procedures by which the Province may levy taxes on logging operations as it is now doing on mining without affecting the net position of logging operators. We are hopeful that progress will be made in these discussions and that legislation introducing a provincial tax on logging profits, which will be deducted from profits otherwise taxable under the Dominion statutes, will be introduced before the termination of this Session. It is expected this logging tax will increase Ontario's revenues by approximately $1 million per annum, without raising the level of taxation presently being imposed.

The two above matters will assist in rationalizing Federal-Provincial relationships, and will give to the Province the monies to which it is justly entitled without raising and, in fact, somewhat lowering the tax presently paid by Ontario taxpayers. It is also intended to apply any revenues from this source to Sinking Fund provisions.

It should be emphasized that both of the provisions in relation to personal income tax and logging tax are already statutory enactments of the Federal Government. The steps which are now being taken are such as to enable the Province to take advantage of provisions which are already statutory and which are available to the Province.

Tax on Racing

The present situation in the Province in relation to racing is unsatisfactory. For some years past, the Province has left the regulation of horse racing to the business itself. The permission to conduct betting on the tracks is not a provincial matter. Authority is given under the Criminal Code of Canada and therefore betting is wholly within the control of the Federal Government. The Province's jurisdiction is limited to the regulation of race tracks but there is no jurisdiction in relation to betting. At the present time, pari-mutuels are permitted in thoroughbred racing but, due to an amendment, bookmaking is permitted in harness racing. The Province is presently collecting a 10 per cent. tax on the pari-mutuel betting but is collecting no tax from the bookmaking type of betting which applies to harness racing. It is therefore proposed,-

1. To establish a Racing Commission which will regulate the tracks and the conduct of persons on the same. A bill relating to this Commission will be introduced shortly and the same will give the Commission which will be appointed by the Government wide powers of controlling tracks and the conduct of persons thereon.

2. Every effort will be made within the powers and jurisdiction of the Provincial Government to provide for pari-mutuel machines on these tracks rather than the present bookmaking practices which are existing in certain tracks. It is recognized, of course, that this matter is purely Federal and therefore advances will be made to the Federal Government to amend the Criminal Code providing for the use of pari-mutuels only, on harness racing tracks.

3. It is intended to impose a tax for the coming year, effective for the 1950 season, of 12½ per cent. of wagers made under the pari-mutuel system.

The Hospitals Tax

The Hospitals Tax Act came into force in April, 1948. The Act provided for the collection of a 20 per cent. tax calculated on the price of admission to a place of amusement. Under the Act, the taxes paid less the cost of collection thereof were payable into a fund established under The Hospitals Aid Act of 1948 and called "The Hospitals Aid Fund".

Experience of almost two years has demonstrated that instead of making payments to The Hospitals Aid Fund, the whole sums collected should be paid into the Consolidated Revenue Fund of the Province. It is believed to be more desirable that in future, assistance to hospitals should be budgeted for in the ordinary course and voted to hospitals in the Estimates which are submitted to the Legislature. It is therefore intended to repeal the provisions relating to The Hospitals Aid Fund and this year the estimates of Receipts are to be placed in the Estimates as Ordinary Revenue and the estimated Disbursements to hospitals will appear in the Estimates of the Department of Health.

Due to rising costs and the impact of inflationary forces which followed the war, our hospitals have been faced with difficulties; this, in spite of the fact that in the Act of 1948 the Province made provision for grants for public-ward beds which involve advances of approximately $6 million annually to the hospitals of the Province.

In order this year to further assist the hospitals, a special grant is being made to each public general hospital and sanitorium of 25 per cent. of the amount of the maintenance grant paid to such hospital in the year 1949. This special grant, which will approximate $3 million, will be in addition to the normal grants payable to such hospitals in the year 1950 and payment of this special grant will be made before April 30th next.

Other amendments to The Hospitals Tax Act will provide for the exemption from tax of purchasers of admission to places of amusement where the price of admission is 15 cents or less. The purpose of this amendment is to exempt from tax the children of the Province who, in main, are paying a fee of 15 cents or less for admission to places of amusement.

The remaining amendments to the Act will have the effect of lowering the rate of tax to be imposed on purchasers of admission to places of amusement where the price exceeds 15 cents. The rates of tax will be lowered to approximately 15 per cent.

The rates of tax to be applied, following the effective date of the amendment, will be as follows:

Price of Admission	Rate of Tax
Up to 15¢	Exempt
Over 15¢ and up to 18¢	2¢
Over 18¢ and up to 23¢	3¢
Over 23¢ and up to 31¢	4¢
Over 31¢ and up to 36¢	5¢
Over 36¢ and up to 44¢	6¢
Over 44¢ and up to 50¢	7¢
Over 50¢ and up to 57¢	8¢
Over 57¢ and up to 64¢	9¢
Over 64¢ and up to 70¢	10¢
Over 70¢ and up to 77¢	11¢
Over 77¢ and up to 83¢	12¢
Over 83¢ and up to 90¢	13¢
Over 90¢ and up to 96¢	14¢
Over 96¢ and up to 99¢	15¢
Over 99¢	15% of the price of admission

These reductions in Hospitals Tax are designed to benefit all those attending theatres, games, and places of amusement. The reductions are given on the distinct understanding that the benefit must be passed on in total to the public. Already we have letters from the majority of the theatre operators in the Province undertaking to pass this tax reduction in total to the people, and it is emphasized that the reduction in tax is made with that as a positive condition.

Under the Act as amended it is intended to exempt all amateur sports. In sports which are professional or semi-professional - that is where the players are paid - the tax will in future be applicable. Members of the House will appreciate the great difficulty in defining "amateur sport", but the interpretation will be worked out between officials of the Treasury Department and of the Athletic Commission. It is hoped that a fair and workable formula will be found. Let me assure the House that the interpretation will be broad, even generous, but it will be uniformly applied and will be designed to meet the situation in a manner which will be fair to all concerned. It is the intention of the Government that all amusements operated for private profit or gain will be taxable under The Hospitals Tax Act.

Corporations Tax

Amendments will be introduced into The Corporations Tax Act, 1939, to keep the provisions thereof in closer agreement with those of The Income Tax Act (Canada).

A further amendment will be introduced in relation to logging tax to give effect to the arrangements which are presently being discussed with the Federal Government.

Land Transfer Tax

The Land Transfer Tax Act will be amended to cover certain administrative changes to facilitate the collection of these taxes.

BUDGET FORECAST FOR FISCAL YEAR 1950-51

With your permission I now place on the records of the House the budget forecast of Ordinary Revenue, Ordinary Expenditure, Summary, Capital Receipts and Capital Payments for the fiscal year April 1st, 1950 to March 31st 1951, and I forecast a surplus of $166,030.

Budget Forecast of Ordinary Revenue
Fiscal Year April 1, 1950 - March 31, 1951

Department	Gross Ordinary Revenue $ ¢	Application of Revenue to Expenditure $ ¢	Net Ordinary Revenue $ ¢
Agriculture	797,000.00		797,000.00
Attorney-General	1,782,530.00	473,150.00	1,309,380.00
Education	1,539,000.00	114,000.00	1,425,000.00
Health	2,915,350.00	514,200.00	2,401,150.00
Highways			
Main Office and Branch	30,000.00		30,000.00
Gasoline Tax Branch	60,325,000.00		60,325,000.00
Motor Vehicles Branch	17,075,000.00		17,075,000.00
	77,430,000.00		77,430,000.00
Insurance	269,000.00		269,000.00
Labour	202,000.00	9,000.00	193,000.00
Lands and Forests	9,552,000.00		9,552,000.00
Mines	3,480,000.00	8,500.00	3,471,500.00
Municipal Affairs	306,600.00		306,600.00
Provincial Secretary	606,300.00		606,300.00
Provincial Treasurer			
Main Office - Subsidy	3,155,000.00		3,155,000.00
- Interest	71,000.00		71,000.00
Liquor Authority Transfer fees	650,000.00		650,000.00
Liquor Control Board	37,000,000.00		37,000,000.00
Controller of Revenue			
Hospitals Tax	5,000,000.00		5,000,000.00
Succession Duty	14,000,000.00		14,000,000.00
Corporations Tax	65,000,000.00		65,000,000.00
Race Tracks	3,000,000.00		3,000,000.00
Security Transfer Tax	800,000.00		800,000.00
Land Transfer Tax	1,000,000.00		1,000,000.00
Law Stamps	600,000.00		600,000.00
Motion Picture Censorship and Theatre Inspection Branch	230,000.00		230,000.00
Province of Ontario Savings Office	515,000.00	515,000.00	-
	131,021,000.00	515,000.00	130,506,000.00
Public Works	41,000.00	3,000.00	38,000.00
Reform Institutions	2,432,000.00	1,871,300.00	560,700.00
Miscellaneous	100,000.00		100,000.00
Public Debt, Interest, Exchange, etc.	5,787,000.00	5,787,000.00	-
	238,260,780.00	9,295,150.00	228,965,630.00

Budget Forecast of Ordinary Expenditure
Fiscal Year April 1, 1950 - March 31, 1951

Department	Gross Ordinary Expenditure $ ¢	Application of Revenue to Expenditure $ ¢	Net Ordinary Expenditure $ ¢
Agriculture	7,700,000.00		7,700,000.00
Attorney-General	8,088,500.00	473,150.00	7,615,350.00
Education	56,186,000.00	114,000.00	56,072,000.00
Health	33,398,950.00	514,200.00	32,884,750.00
Highways	39,343,000.00		39,343,000.00
Insurance	113,000.00		113,000.00
Labour	1,068,000.00	9,000.00	1,059,000.00
Lands and Forests	10,215,000.00		10,215,000.00
Lieutenant-Governor	14,500.00		14,500.00
Mines	866,500.00	8,500.00	858,000.00
Municipal Affairs	4,761,000.00		4,761,000.00
Planning and Development	2,376,000.00		2,376,000.00
Prime Minister	96,000.00		96,000.00
Provincial Auditor	219,000.00		219,000.00
Provincial Secretary	889,000.00		889,000.00
Provincial Treasurer	3,538,000.00	515,000.00	3,023,000.00
Public Welfare	24,717,000.00		24,717,000.00
Public Works	3,503,000.00	3,000.00	3,500.000.00
Reform Institutions	6,911,300.00	1,871,300.00	5,040,000.00
Travel and Publicity	625,000.00		625,000.00
Miscellaneous	100,000.00		100,000.00
Public Debt:-			
Interest, Exchange, Etc.	26,168,000.00	5,787,000.00	20,381,000.00
Sinking Fund Instalments and Railway Aid Certificates	7,198,000.00		7,198,000.00
	238,094,750.00	9,295,150.00	228,799,600.00

SUMMARY

Budget Forecast
April 1, 1950 - March 31, 1951

Net Ordinary Revenue.....	$ 228,965,630.00
Less: Net Ordinary Expenditure (before providing for Sinking Funds and Maturing Railway Aid Certificates).....	221,601,600.00
Surplus (before providing for Sinking Funds and Railway Aid Certificates).....	$ 7,364,030.00
Less: Provisions for Sinking Funds and Railway Aid Certificates.....	7,198,000.00
Surplus Forecast.....	$ 166,030.00

Budget Forecast of Capital Receipts
Fiscal Year April 1, 1950 - March 31, 1951

Department	Gross Capital Receipts $ ¢	Application of Receipts to Payments $ ¢	Net Capital Receipts $ ¢
Highways	605,000.00		605,000.00
Labour	6,000,000.00		6,000,000.00
Lands and Forests	4,750,000.00		4,750,000.00
Mines	30,000.00		30,000.00
Provincial Secretary	3,916,000.00		3,916,000.00
Provincial Treasurer	14,867,000.00		14,867,000.00
Public Welfare	32,315,000.00	32,315,000.00	-
	62,483,000.00	32,315,000.00	30,168,000.00

Budget Forecast of Capital Payments
Fiscal Year April 1, 1950 - March 31, 1951

Department	Gross Capital Payments $ ¢	Application of Receipts to Payments $ ¢	Net Capital Payments $ ¢
Agriculture	6,650,000.00		6,650,000.00
Highways	46,657,000.00		46,657,000.00
Labour	6,000,000.00		6,000,000.00
Lands and Forests	4,900,000.00		4,900,000.00
Provincial Secretary	1,500,000.00		1,500,000.00
Provincial Treasurer	2,158,000.00		2,158,000.00
Public Welfare	32,315,000.00	32,315,000.00	-
Public Works	15,000,000.00		15,000,000.00
Miscellaneous	150,000.00		150,000.00
	115,330,000.00	32,315,000.00	83,015,000.00

SUMMARY

Mr. Speaker:

To summarize the outstanding achievements of the budget for the fiscal year 1949-1950, I recount,-

1. We are estimating a surplus of $1,004,000 after providing a Sinking Fund of $20,626,000.

2. We have paid legislative grants to Elementary and Secondary Schools of $37,285,000.

3. We have paid grants to Public Hospitals and Sanatoria for capital construction and maintenance of $13,100,000, an increase over the previous year of $4,600,000.

4. This year closing we will spend on capital construction of Highways the sum of $35,000,000.

5. We will have spent on Highway maintenance the sum of $42,231,000, an increase over the previous year of $2,000,000.

6. We have paid out as the Province's share of Old Age Pensions and Pensions for the Blind the sum of $10,035,000, an increase over the previous year of $1,575,000.

7. We have paid out in Mothers' Allowances the sum of $5,379,000, an increase of $844,000 over the previous year.

8. We have paid out in subsidies to Municipalities and School Boards for Highways, Police Forces, Fire Departments, Health and Welfare, grants to Elementary and Secondary Schools and other grants the huge sum of $70,000,000, all of which has contributed to lightening the burden on the municipal taxpayer.

9. This year we will have paid for Health Services, including grants to Hospitals the sum of $37,466,000.

10. For this year we are giving to every public general hospital and every sanatorium a Special Grant of 25 per cent. of the amount which they received in 1949.

11. We have paid grants to Conservation Authorities of $900,000.

SUMMARY

Mr. Chairman:

[illegible] recommendations. It has been [illegible] recommend:-

1. We are [illegible] appropriation of $[illegible] for [illegible] building fund of $[illegible].

2. We are [illegible] legislative permit [illegible] month to [illegible] [illegible] of $[illegible].

3. We have [illegible] Public Buildings and Grounds [illegible] reformulation and [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] of $[illegible].

4. Upon [illegible] closing we will [illegible] [illegible] [illegible] [illegible] [illegible] $[illegible].

5. We will [illegible] [illegible] on [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible].

6. We are [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

For the fiscal year 1950-1951, we shall do the following,-

1. Provide for Legislative Grants to Elementary and Secondary Schools the sum of $42,420,000. This is an increase over the 1949-50 fiscal year of $5,136,000.

2. Provide for the following grants and increases to Universities,-

	Grant	Increase
University of Toronto	$ 3,017,000	$ 500,000
Queen's University	500,000	125,000
University of Western Ontario	500,000	125,000
McMaster University	125,000	25,000
University of Ottawa	125,000	25,000
Carleton College	75,000	10,000
	4,342,000	810,000

3. Provide $14,050,000 for grants to Public Hospitals and Sanatoria for capital construction and maintenance.

4. Provide $850,000 for New Homes for the Aged and in addition $500,000 towards their maintenance.

5. Provide for capital construction of Highways $46,000,000, which does not include the cost of Trans-Canada Highway.

6. Provide for the opening of two new mental institutions; one at Aurora and one at Smiths Falls and expansion of the institution at St. Thomas.

7. Provide for Municipal Subsidies on Highways the sum of $22,000,000.

8. Provide for capital construction on public buildings and public works including additional mental institutional accommodation and conservation program the sum of $15,000,000.

9. Provide extensions to rural hydro-electric lines to service more than 30,000 additional customers.

10. We are budgeting for an estimated surplus in ordinary account of $166,000.

11. There will be no increases in Taxation except in the case of Taxes on Race Track Betting.

12. Hospitals Tax will be reduced from 20 per cent. to 15 per cent. with complete exemption in the case where the price of admission does not exceed 15 cents. This reduction is to be passed in total to the people and will benefit all, particularly children.

CONCLUSION

As we are about to enter upon another year's service for the people of Ontario, let us do so in the realization of the fact that we in this Province have a great heritage and a great responsibility. We are the wealthiest, the most populous of all of the provinces of Canada. This we can say in a spirit of modest thankfulness. We are a prosperous province. As Ontario prospers, so Canada prospers. I am most happy that the days of my political life have been devoted to the service of my native Province. Still, as is the case of all of us, my chief pride is the fact that I am a Canadian. Let us as good Canadians dedicate ourselves to the task of, through service to our Province, carrying out our duty to our country. Let us keep our Province worthy of her place as the keystone in the arch of Confederation, accepting her full duty to Canada and sharing with our fellow Canadians the good things which a kind Providence has bestowed upon us.

APPENDIX

ESTIMATE OF PROVINCIAL-MUNICIPAL CAPITAL INVESTMENT IN ONTARIO

ADDITIONS TO PHYSICAL ASSETS
Does not include expenditures or grants for repairs or maintenance

(In thousands of dollars)

	Total 1949-50[1]	Average per Month, 1949-50[1]	Approx. Current Monthly Rate
1. Direct Capital Expenditures of the Government of Ontario			
Highways	35,000	2,917	2,917
Public Works	7,900	658	658
Hydro-Rural Power Extensions	10,800	900	900
Resource Development	15,500	1,292	1,300
Education[2]	420	35	35
Health Grants	2,200	183	183
Grants for Community Halls	475	40	40
Miscellaneous	336	28	28
Sub-Total	72,631	6,053	6,061
2. Provincial Commissions, Etc.			
Hydro-Electric Power Commission of Ontario	149,700	12,475	12,500
Ontario Northland Railway	894	75	75
University of Toronto	2,366	197	200
Sub-Total	152,960	12,747	12,775
3. Municipalities[3]			
Schools	23,100	1,925	
Water	11,500	958	
Hospitals	11,300	942	
Sewers	8,000	667	
Pavement, Sidewalks, Bridges, Road Machinery	7,300	608	
Transportation Systems	6,600	550	
Civic Buildings	5,500	458	
Local Improvements	3,000	250	
Hydro	2,900	242	
Capital Expenditures out of Revenue	3,000	250	
Other	5,600	467	
Sub-Total	87,800	7,317	7,500
Total of Items 1 to 3 inclusive (Less Rural Power Bonus)	302,591	25,217	25,436
4. Value of Housing partially financed by Ontario Second Mortgage Loans[4]	78,400	6,533	6,533
Total of Items 1 to 4 inclusive (Less Rural Power Bonus)	380,991	31,750	31,969

(1) Capital expenditures of Ontario Government departments, the Ontario Northland Railway and Hydro are shown for the fiscal year ending March 31, 1950 and all others for the calendar year 1949.
(2) Includes expenditure of Department of Education on Normal Schools, Schools for the Blind, etc., and grant for capital purposes to Vocational Schools ($270,000). It does not include main educational grants or expenditure of Department of Public Works on provincial schools.
(3) Municipal expenditures, with the exception of capital expenditures out of revenue, are 1948 debenture approvals of capital undertakings.
(4) Provincial loans in 1949 amounted to $11.2 million.

March 14, 1950.

MR. L. E. WISMER (Riverdale): I move the adjournment of the debate.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move, seconded by Mr. Doucett, that when this House adjourns the present sitting thereof, it do stand adjourned until two of the clock, on Monday afternoon, and that the provision of rule number two of the Assembly be suspended as it might apply to this motion.

MR. FROST: On Monday, the Chairman of the Conservation Committee of this House will table the report prepared by the Committee. I think the procedure will be the tabling of that report by the hon. member for Elgin (Mr. Thomas) and he will make an explanation on that report. All of the hon. members here are anxious to hear from the hon. members of that Committee.

I hope to set aside Thursday afternoon and possibly the evening as well, for a discussion and debate on that report, which will enable all the members to make their statements.

Concerning business next week: at the conclusion of the speech by the hon. member for Elgin (Mr. Thomas) I propose to go ahead with routine business. The procedure will be the same as in the past. With the permission of the House, next week, on Monday, we must start considering estimates as we go along from day to day.

MR. J. G. BROWN (Waterloo North): Mr. Prime Minister (Mr. Frost) are there copies of your address available?

HON. LESLIE M. FROST (Prime Minister): Yes.

MR. E. B. JOLLIFFE (Leader of the Opposition): I agree

with the hon. Prime Minister (Mr. Frost) that it is desirable to get into the discussion of estimates before too late in the Session, and I think we will have to also take in the debate on the Budget.

However, it would help matters if we had some indication of the order in which they will be taken. If we knew on advance what is coming up on Monday, we would be prepared. I think that is only fair, if we are to proceed so soon with the estimates.

MR. A. A. MacLEOD (Bellwoods): Do not take any advice from the hon. Attorney General (Mr. Porter).

MR. FROST: The hon. Attorney General (Mr. Porter) said he would go on on Monday.

I think on Monday I may proceed with some of the more routine estimates, such as the Provincial Treasurer and the Lieutenant-Governor, and other estimates. I will confer with my hon. friends so that they will know what will come up.

MR. MacLEOD: When do you propose to proceed with the debate on the Budget?

MR. FROST: On Tuesday.

MR. MacLEOD: Will you meet with the hon. Leader of the Opposition (Mr. Jolliffe)?

MR. FROST: Not yet.

MR. E. B. JOLLIFFE (Leader of the Opposition): This is one day that he is entitled to a little bit of peace.

Motion agreed to.

The House adjourned at 4.08 p. m.

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F I F T H E R R A T A.

March 20, 1950.

VOL, 17: Page D-1 Line 29: Change "thought" to "Frost".

" "2 " 12; Change "birth" to "borth-place".

" " " 24; Change "member" to "citizen".

" " " 26: Change "corridors" to "halls".

" " " 26: Change "alone" to "largely".

" D-4 Lines 3 & 4: Delete words after "they in second line, and substitute therefor:

"Cannot have a greater measure of of control over costs of these health units, they will have to be dispensed with".

" D-5 : Line 22: Change "materials" to "products".

VOL 18: In Errata, 3rd item. Change "E-2" to "E-3".

Page B-8: Lines 12, 20 & 30: Change "MR. F. O. ROBINSON" to "MR. WILLIAM DENNISON".

" B-9: Line 3: Change "Mr. R. Scott, (Beaches) to "Mr. William Dennison".

VOL. 21: Page A-1: Change "Vol. 21" to "Vol. 22".

" B-1: line 22: Change "control" to "Treasury".

" B-1 Line 23: Change "Department" to "hon. Minister".

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Vol. 22 (erroneously referred to as "Vol 21) Page A-8, line 18 (last line) delete:

"Motion agreed to".

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Volume 23.

P R O C E E D I N G S .

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS TWENTIETH DAY OF MARCH, A. D., ONE THOUSAND NINE HUNDRED AND FIFTY, AT TWO O'CLOCK, P. M.

- - - - - -

Toronto, Ontario,
Monday, March 20, 1950,
2.00 o'clock, p. m.

- - - - - -

2.00 O'CLOCK, P. M.

And the House having met.

PRAYERS.

MR. SPEAKER: Presenting Petitions.

Reading and receiving petitions.

HON. G. A. WELSH (Provincial Secretary): Mr. Speaker, I beg to present to the House the following:

(1) The report of the Alcohol Research Foundation for the year ended December 31, 1949.

(2) The annual report of the Ontario College of Art, for the year ended May 31, 1949.

MR. SPEAKER: Presenting reports by Committees.

MR. B. D. CATHCART (Lambton West): Mr. Speaker, I beg leave to present the fifth report of the Standing Committee on Miscellaneous Private Bills, and move its adoption.

THE CLERK ASSISTANT: Mr. Cathcart, from the Standing Committee on Miscellaneous Private Bills, presents the following report.

Your Committee beg to report the following Bills without amendment.

Bill No. 33, "An Act respecting the City of Sault Ste. Marie".

Bill No. 34, "An Act respecting the city of Ottawa Separate School Board".

Your Committee begs to report the following Bills with certain amendments.

Bill No. 7, "An Act respecting the City of London".

Bill No. 74, "An Act repsecting the Village of Long Branch".

Your committee would recommend that the fees, less the penalties, and the actual cost of the printing, be remitted on Bill No. 34, "An Act respecting the City of Ottawa Separate School Board".

All of which is respectfully submitted.

(Signed) Bryan L. Cathcart
Chairman

Motion agreed to.

MR. F. S. THOMAS (Elgin): Mr. Speaker, I beg leave to present the report of the Select Committee appointed at the last session of the Assembly to study all aspects of Conservation, and move it be tabled as a sessional paper, at the present Session, and be printed for distribution in such numbers as may be decided by this House on the recommendation of the Standing Committee on printing.

Mr. Speaker, the report I have just tabled represents the combined effort and energy of a complete cross-section of the citizens of the province of Ontario. Our Committee travelled approximately 6,000 miles to hold 55 meetings throughout the province, at which 116 organizations and individuals presented briefs. Public hearings commenced on July 19th and were held intermittently until November 30th. It is I think significant that in the midst of haying and harvest some sittings were attended by as many as 200 people who, despite the urgency of work, spent a day or an afternoon in lively discussion.

I, therefore, Mr. Speaker, wish on behalf of the Conservation Committee to express to the co-operating citizens of Ontario our deep appreciation for their sincere interest and efforts without which this report would be impossible.

I also, Mr. Speaker, desire at this point to pay tribute to each and every member of this committee associated with me. From the day of our first organizational meeting to the very last meeting this Committee worked in harmoney -- totally devoid of any political partisanship, our desire being to bring to this House an unanimous report which we hope will appeal to all hon. members and to the interested public. I would also like to say that

I appreciated very much the opportunity of working with the hon. member for South York -- the leader of the C.C.F. party (Mr. Jolliffe) and also my hon. friend, the member for South Grey (Mr. Oliver) and leader of the Liberal party. I think this government was wise and showed good judgment in having the lderas of these two Opposition parties (Mr. Jolliffe and Mr. Oliver) named on this committee. They both in their own way made valuable contributions to this report. Thus, Mr. Speaker, the duties of the chairman were lightened and the task of heading this committee was a pleasant one indeed.

I do not, Mr. Speaker, wish to single out any groups or individuals for special mention but I know the Committee will concur when I say I would be remiss if I did not make special mention of our genial hardworking efficient Secretary, Herbert F. Crown, whom we borrowed from the Conservation Branch of the Department of Planning and Development. I am sure I state the unaminous opinion of our Committee when I express the hope that the many years ahead of him in his chosen field may be pleasant and profitable, and he can rest assure he has the warm friendship of all members of our Committee who deeply appreciate his loyalty and ability. I also feel I should make special mention of Deputy Ministers and staffs of all Departments of this Government who so willingly and ably checked and provided data, and who by frequent consultation gave this Committee valuable assistance and advice.

In the process of seeking information relative in particular to agriculture we visited Ottawa where we received a fine contribution from Dr. E.S. Archibald and his staff at the Central Experimental Farm. Dr. Archibald, who is one of Canada's outstanding scientists and an able conservationist, spared no effort in giving bs his time and information. To the

Heads and staffs of our own Provincial Agricultural Colleges, Schools, Farms and Institutions, this Committee is grateful.

And now, Mr. Speaker, Just a word as to our method of approaching the problem of Conservation and preparing our report. This naturally fell under four headings:

1. Organization.
2. Public Hearings and gathering of information.
3. Review and consideration of evidence.
4. Compiling Report with Conclusions and Recommendations.

1. Organization

In the matter of Organization we sought and received the co-operation of the field officers of the Departments of Agriculture, Lands and Forests, Conservation Branch of the Department of Planning and Development. These extension field officers referred to, organized by Counties and Districts the various groups and individuals interested in all aspects of Conservation, and each County or District so organized prepared and presented briefs on Conservation with particular emphasis on problems and suggested solutions in their respective areas. The briefs so prepared were in turn presented to this Committee at Zone or District meetings held by the Committee. Thus in an organized way every interested group or individual was given an opportunity to present information.

In addition the Committee visited the Universities of Ontario, the Province of Quebec, and the State of Ohio, and we called in individuals as specialists in various fields of Conservation.

2. Public Hearings

At all public hearings anyone present was afforded full

opportunity to appear before this Committee and take part in all discussions. In addition all the Hon. members of this House were especially invited to public hearings in their district and many Federal Members of Parliament also attended and showed a keen interest.

3. During parts of December, January and February this Committee met, analyzed, reviewed and considered all the evidence. Following which conclusions were drawn, recommendations drafted and the Report as herewith presented was written and edited.

May I at this time, Mr. Speaker, point out that in our Report we dealt almost entirely with the Province as a whole, and in so far as possible all the eighty odd recommendations contained therein are in principle only. Thus we have left for the consideration of this Session of the Legislature and succeeding Sessions the matter of detailed discussion of ways and means and implementation. In other words we avoided bogging down our Report with detailed mechanics.

Analysis of Report

Mr. Speaker I would like to direct the attention of hon. members to the contents of this Report and the topics dealt with. In this report are eleven original maps made expecially for this Report, and also 35 selected photographs, illustrative of various problems in Conservation. The Report is in twelve parts and contains 47 chapters.

In addition to the foregoing, members will find that the pink colored sheets contain a consolidation or summary of recommendations numbering in excess of eighty.

May I particularly direct your attention to Map No. 2, Page 14, which divides the Province of Ontario into 12 zones. This map is entitled Regions of Multiple Land Use in Ontario.

On the opposite page you will find a written explanation of this map showing:

(a) The Region.

(b) Common land form as laid down by nature.

(c) Climatic Hazard.

(d) Natural Soil Characteristics.

(e) Present Land Use.

On the same page you will find the Committee's opinion on Recommended Land Use under four headings:

1. Agriculture.

2. Forestry.

3. Fish and Wildlife.

4. Recreational.

Mr. Speaker I draw particular attention to this map because it is original and very comprehensive if carefully studied, In fact this map is the cradle of our Report -- the fundamental starting point for a true perspective of our capabilities and a very definite indication of a sound perpetuation of all our chief resources in Ontario.

I shall not deal in detail with the other maps except to point out they are all very fundamental and serve a very useful purpose if properly related to the chapter in which they are found. I cannot however resist drawing your attention to and placing emphasis on Maps Nos. 3, 6, 7, 8 and 9.

Division of Topic Matter

The Topic matter of this Report is divided into twelve divisions, namely:

1. Introduction.

2. Soil.

3. Water

4. Forestry.

[illegible]

5. Fish and Wildlife.
6. Recreation.
7. Conservation Authorities.
8. Dominion Provincial Responsibilities.
10. Provincial Administration.
11. Miscellaneous.
12. Conclusion.

Mr. Speaker, I shall not attempt to cover all this Report in detail because other members of our Committee are going to deal with various phases of this Report in the debate on Thursday next. I would hoever like to high light some important points, and respectfully suggest that between now and Thursday the hon. members of this House read and especially study the parts of this Report under the headings of:

(a) Water
(b) Forestry
(c) Education
(d) Dominion Provincial Responsibilities.

Under the section of the Report dealing with Water I would especially draw your attention to Chapters 22, 24, and 25.

May I, Mr. Speaker, point out that "All life depends on water". As Ontario grows in population, agriculture, and industry, the truth of this axiom becomes more than ever apparent. May I particularly direct your attention to Map No. 7. page 92, which shows graphically communities that are wholly or partially dependent on ground water supplies. May I also, Mr. Speaker focus attention on the following recommendations to be found on page 93. Recommendations that:

"Legislation should be enacted which would regulate the ground water supply of urban

and industrial users with a view to protecting prior rights of residents of other municipalities affected, and at the same time providing for an equitable distribution of such ground water to all claimants."

On page 97 this Committee has made a far seeing and probably a revolutionary recommendation based on evidence submitted and supported by Map No. 7. This recommendation is that:

"A detailed survey should be made to ascertain the feasibility and costs of piping water from the Great Lakes system to be distributed as a public utility for the benefitting municipalities".

Support for this recommendation is found on page 96, paragraph 3, which shows what has already been accomplished in the County of Elgin. If by a grid system we could supply water from the Great Lakes System to all areas indicated in Map No. 7 we would accomplish some very definite goals as follows:

1. A grid system over the whole area might be less expensive.
2. We might deal more adequately with the problem of pollution.
3. Abundant water supply over the area illustrated in Map No. 7 would have a tendency to induce industries to locate in that area.
4. As a result of abundant water supplies a desirable decentralization of industry might take place.
5. The solution to most economic and social problems lies in the spreading out of industrial expansion.

Workers in industry have much more to gain at less cost in the smaller municipalities and agriculture will profit more from a closer home market. All of this points the way to a better balanced economy with higher living standards, more independence, greater freedom and much more opportunity for the individual in the fields of Health, Wealth and Happiness.

Forestry

Under Forestry may I suggest that all hon. members read carefully Chapters 27 to 35 inclusive, but I would urge that careful consideration be directed to Chapter 30 entitled Dominion Provincial Reforestation. In this chapter will be found very logical reasoning in support of the recommendation which is that:

"The province should undertake to reforest approximately 3600 square miles of the Precambrian shield during the next twenty-five years, and

The present provincial forest nurseries should be expanded or new nurseries established to provide sufficient trees to reach the twenty-five year objective, and

The plans for large reforested areas should provide suitable locations for public recreational use, and,

All sums expended for such reforestation in the Precambrian area should be chargeable as expenditure upon capital account, and financed as a joint Dominion Provincial program."

In as much as Major-General Howard Kennedy reviewed and reported exhaustively on the whole subject of commercial

forestry on Crown Lands, this Committee has dealt mainly with forestry in old Ontario. This Committee believes that if this 3600 square miles was reforested in the next 25 years that the Province of Ontario and its citizens would in the future reap a great reward in:

(a) forest products.

(b) soil conservation.

(c) water conservation.

(d) recreation.

(e) proper land use.

By pursuing such a policy people now living in the 3600 square miles referred to would enhance their income, broaden their lives and thus contribute more to our democratic way of life. Instead of living on steadily depleting resources these people would be participating in a sound ever expanding economy.

As already indicated, Mr. Speaker, I do not intend to discuss this entire report because other members of this Committee will deal with various chapters which I am not covering. I do however desire to deal in some detail with two parts of this report, namely Soils and Provincial Administration.

I now therefore turn specifically to Soils and from Chapter 3 I quote:

"Great Empires have risen and flourished only to fall with.....

(Take B Follows)

their loss of topsoil. Ancient cities of wealth and culture now lie buried beneath drifting sands. Countless wars and famine bear witness to the potent role of soil erosion in world history. The destruction of the Atom Bomb is sudden, swift and spectacular. With its silent, creeping power soil erosion has been causing far more terrible and lasting devastation for many centuries past".

I have already referred to map No. 2, Multiple Land Use, and in specific reference to soils I would suggest the careful reading of chapter No. 4 on Soils, which covers the major geographic regions. It is not surprising that in so vast an area as the province of Ontario, with its 232,500,000 acres stretching from the comparatively mild climate of Essex county to the semi-tundra northern part of Patricia there are twelve geographic regions of major importance.

Clearing and settlement of most of the agricultural lands of Ontario have taken place within the past 150 years, although there are reports of settlement as early as 1700 in the extreme southwest. The records of the Agricultural Commission in 1881 indicate that clearing the land was still one of the major problems at that time. Even in Essex county was, for instance, about two-thirds in bush as late as 70 years ago.

As the trees were cut off, crops were produced and livestock grazed on the clearings. Fences were required, of course, to confine the livestock and straight-sided fields were considered essential for the advantageous use of machinery which was coming into use. Consequently, as a rule, Ontario farming developed on the pattern of a central land bordered by square or rectangular fields leading from the buildings to the back of the farm. The topography of the

land accordingly became the accepted practice and has largely remained so. Thereafter all the land in a field was cropped similarly regardless of soil types, steepness of slopes or crop adaptability.

In general, too many trees were cut off. Some of the pioneers regarded the tree as an enemy. After years of arduous toil with the axe they could hardly do otherwise. On the best lands no ill-effects were noticed. However, in some areas a few years of good crops were followed by declining production. There the population was much greater 80 years ago than it is today. From these areas thousands of the second generation moved on to seek better land in the West.

Concepts of soils vary with individuals and with nations. The attitude toward the soil is formed in accordance with the use for which it is being considered. Familiarity with the nature of soils and appreciation of the problems involved in their use may modify opinions formerly accepted. Citizens of Ontario will do well to look at soils as basic to our way of living. Soil is not just the material on which we build buildings, it is the stuff of which empires are made. No nation can prosper if its basic agriculture is declining. Soil is thebasis of agriculture; soil is the basis of life.

We borrow from the soil whatever is essential for our life today and when our life is ended we repay our debt to the soil and become dust. There is one discrepancy. That part of the soil which is wasted by erosion, sewage disposal , indifference, and carelessness is lost forever to future generations. The future belongs to those who conserve the soil.

Would it not be better to think of our province as being so many inchess deep rather than so many square miles in area? Once the depth of the topsoil is gone the agriculture of Ontario would be reduced as effectively as if most of the province were to sink below the ocean.

The soil belongs to all living things. It is not imperishable or permanent. The farmer attends the soil but what he does with it depends on the social and economic pressure which is brought to bear on him. Hence people in all walks of life are involved. Soil is a part of Nature's environment and Nature will not be treated selfishly without retaliation.

The chief product of the soil is Man himself. From the soil come the quality of bone and muscle and his state of health. Indeed, Man is what he is because of where he is in relation to the soil. His energy, his ability to think, and his very disposition come from the soil on which he walks just as truly as the grain and corn which grow there.

Soil, as we see it, is our heritage from the dead and our dowry to countless numbers yet unborn; it represents the future at our feet.

Soil organic matter, popularly called "humus", is composed of plant and animal matter undergoing decay. It is derived from such material as dead roots, leaves, fruits and stems of plants; the carcasses of animals, worms and insects; live and dead soil micro-organisms, and various products from the decomposition of dead residues.

Chemically, organic matter consists of protoins, carbohydrates, fats, resins, waxes and similar compounds. Humus represents an advanced stage in the decomposition of organic matter.

Evidence brought before this Committee proved that the Ontario Crop Improvement Association through its provincial organization and county associations was providing very strong and effective leadership in both soil and crop improvement. All over the province this Committee found strong, aggressive and constructive leadership by this organization in its particular field of operation. It is sufficiently well organized to be successful in its high pruposes, both provincially and on a community basis. This Committee recognizes the importance and effectiveness of local leadership by farm organizations at the county level.

Until recently in Ontario comparatively little attention has been paid to soil erosion. Too often it was considered that certain established practices were fundamentally sound, without considering the effect of such practices on the erodibility of the soil. Only in recent years have farmers become conscious of the fact that sheet and wind erosion were serious problems, even on fertile, heavy soils.

The past winter season of 1949-50 has perhaps done more to dramatize the problem of soil erosion than any other single thing. We in Ontario have been under the impression that our normal winter season is an asset in protecting our soils from erosion. However, the current season has clearly demonstrated what can happen to soils when they are not frozen into immobility and covered with a mantle of snow.

Due to our location and normal climatic conditions we have assumed that erosion on our heavier soils in particular was of minor importance. It must now be realized that we have erosion too, and that keeping the land covered, increasing its ability to absorb precipitation and thus reduce run-off is of paramount importance.

Much research and experimental work has yet to be done

in order to establish the basic principles involved in the prevention of soil erosion in the province of Ontario.

There is a great variation in soil types and in their agricultural potential when they first come under cultivation -- in other words some are much better than others at the very outset.

Having conceded this variation, there emerges an equally significant fact which seems to be true of all the agricultural soil types: as the years go by their productivity is variable -- that is, some get better, some get worse, and some remain about the same.

This is what has been happening in Ontario. Some farms are becoming more fertile, some are just holding their own, while others suffer from soil depletion and are definitely less fertile.

In a sense soil depletion occurs on practically all lands subject to cropping. This is not significant, however, if values are returned to the soil, either by natural processes or by the spreading of manure or commercial fertilizer.

The sale of farm products accounts for the greatest single loss of soil fertility from farm lands. A wheat crop of 40 bushels per acre contains about 47 pounds of nitrogen, 21 pounds of phosphorous and 12 pounds of potash. If the wheat is soid these values leave the soild and leave the farm. Losses with other grain crops are somewhat similar.

When farm crops are fed to livestock and marketed indirectly through the sale of livestock products, the drain on soil fertility is relatively much less.

The average annual removal of fertility per acre of pasture in Ontario where milk is the product sold, amounts to about four pounds of nitrogen, six pounds of phosphorous and one pound of potash. Losses where the product is meat are

also relatively low. These examples simply serve to illustrate that cash cropping accounts for a much higher loss of soil fertility than livestock farming.

The relationship between the soil and human health is under investigation at nine stations (located on different soil types) in the United States, notable at Cornell University financed by the Federal government. In Canada, very little has been done on this important subject. We cannot afford to overlook our own soil types.

What has been said indicates the need for fundamental long-term research. It is not enough to study human nutrition, animal nutrition, plant life and soils in separate compartments. The complex relationships between all four must also be unravelled. In the opinion of this Committee such a far-reaching inquiry would be national in scope and ought to be financed and undertaken by Federal authorities, with whatever co-operation may be needed from provincial institutions, such as the Ontario Agricultural College and the Ontario Veterinary College at Guelph.

There is urgen need for research and experimental work in the whole field of irrigation for many different forms of crop production in Ontario. Electric power, portable light-weight pipe and other modern developments have brought a tremendous increase in artificial irrigation on United States' farms, even on pasture fields. We cannot afford to lag behind.

I do not propose to discuss drainage or its importance in detail -- suffice it to say that in our report the subject is thoroughly covered. But I would draw to the attention of this House one major recommendation: "That the five principal statutes relating to drainage should be consolidated into one drainage Act".

Mr. Speaker, the basic problem is to bring about the

right use of land to assure a permanently productive agriculture. Land may be classified in three main categories:

1. Land suitable for rotation farming.
2. Land suitable only for continuous grass.
3. Land suitable only for forestry.

Land in the first two categories above are farm lands. They are the concern of the agricultural scientists and specialists in agriculture. Land in the third category is the concern of the forester.

Behind these men stand the soil-testing laboratories, the research facilities, the specialized knowledge of institutions like the Ontario Agricultural College and the Ontario Veterinary College, as well as the laboratories and nurseries of the Department of Lands and Forests. Without such technical backing, extension work for conservation purposes would be feeble indeed. The stronger such backing can be the more effective extension work will be.

The first step toward sound conservation is to decide in which of the three categories any given parcel of land belongs, and then to make intelligent use of that land in accordance with its natural capabilities. In some cases the answer is obvious. In others it becomes a technical question: soil tests must be taken, the agricultural representative should be called in, and he in turn must be able to get prompt and full laboratory reports and advice from the scientists who stand behind him.

Having properly classified the land, it is necessary for the farmer to know and understand the practices appropriate to each category. In the case of agricultural land, whether suitable for rotation farming or continuous grass, the fundamental necessity is to follow practices which tend to conserve both soil and water.

Not only is it necessary for the citizen to have access, directly or indirectly, to the rich store-houses of science, it is also important that the scientists should have adequate physical facilities for rendering the maximum service. It is further of great importance that the background and training of the scientists themselves should be of the highest quality.

All that has been said will illustrate the enormous importance to conservation of the Ontario Agricultural College and the institutions associated with it.

This Committee has given careful and lengthy consideration to the problem of co-ordinating agricultural services so that they may reach their maximum effectiveness, and to the problem of enabling the nerve centre of all such services to exercise that function most successfully.

Agricultural lands are usually interspersed with areas of non-agricultural land in close association. Indeed, there are a great many farms on which can be found land in all three categories mentioned above. This means that a program for sound land use and soil and water conservation will call for the close co-ordination and co-operation of the agriculturist and the forester at all times. They must work together as a team, in harmony and towards one objective -- the best use of our land resources.

These considerations have to be kept in mind when examining the functions of the agricultural representative and the forester, and also the institutions and services which stand behind these men. It should be understood that the Department of Agriculture, through its Extension Division, already has representatives (and in some cases assistant representatives) serving in every county and district of the province.

The Department of Lands and Forests has also placed extension men -- zone foresters -- not in every county, but at strategic points throughout southern Ontario.

These practices, however, may vary -- and do vary considerably -- with different soil types and different climatic conditions, which again serves to remind us of the importance to both the farmer and his agricultural representative of having access to the scientific resources of government experimental farms and agricultural colleges. Farming can no longer be a hit-and-miss business, it is a highly technical profession, calling for a high degree of intellegence and resourcefulness. The farmer, no less than the manufacturer, must have access to the findings of science.

The soil and its productivity are the basis of farming. Crops depend on the soil for twelve essential nutrients for normal sustenance. Livestock depend on the crops they consume for the proteins, minerals and vitamins required for growth and reproduction. Man in his turn depends on food crops, livestock and livestock products for his own nourishment, strength and vitality. Thus soil conservation -- the maintenance of soil fertility -- is basic to our whole economy. It surely deserves a careful and substantial investment.

Crops and livestock of course are subject to disease, insect attack and other pests. The control and prevention of these factors is a vital part of any conservation program. For example, the year's investment in fertilizer, green manure and other instruments of conservation farming may be lost if the crop is wiped out by a visitation of insects. Yet a previous investment in scientific research may enable the farmer to avert that loss.

Thus it is clear that the farmer or landowner wishing to adopt the fullest measures of conservation on his land must have direct or indirect access to a variety of specialists. True conservation involves soils, crops, livestock, insects, plant and animal diseases, agricultural engineering, silviculture, to mention only a few. There is hardly a science that could be named which does not have a contribution to make to conservation.

So far as agricultural conservation is concerned, where is the nerve centre of all the necessary education, research and technical advisory services? The answer must be: at Guelph, where the Ontario Agricultural College and the Ontario Veterinary College already have the basic resources of library, laboratory, teaching, research, publication and extension facilities and personnel. These two institutions by their existing resources are certainly qualified to become the base or headquarters for all conservation work in agriculture.

It is recognized that both institutions already carry tremendous responsibilities. With budgets that are modest compared with those of similar institutions in the United States, the staff at Guelph are required to carry on:

1. Vocational training, in the "short courses".
2. Professional or scientific training, in the degree courses.
3. Long-term and short-term research projects.
4. Laboratory services such as soil-analysis and autopsies.
5. Extension work, both by publication and visitation.
6. Field service, for example, drainage surveys on individual farms.

7. Advisory service, by correspondence and telephone.

8. General educational work and practical demonstrations for scores of groups and thousands of individuals visiting the campus each year.

No other college or university is called upon to render such diversified and continuous services to the public. By reason of the heavy demands presently imposed on the institutions at Guelph, it is clear that expansion and increased support will be necessary to enable them to assume successfully their proper role in a conservation program for Ontario.

To assume the role of a base or headquarters, to meet adequately the future needs of an expanding program in better land use, soil and water conservation, crop and livestock improvement, insect pest and disease control, economical mechanization and efficient farm planning and farm management, some integration and co-ordination of existing units is assuredly necessary.

It is not possible to discuss such matters in detail, but this Committee has unanimously reached certain conclusions about the form which integration and co-ordination should take. This will be made clear in basic principles by the recommendations which follow.

The first necessary step is to strengthen the structure of the existing institutions at Guelph, so that they will be organizationally prepared to assume greater stature. They are now the Ontario Agricultural College, the Ontario Veterinary College and the Macdonald Institute of Home Economics, all supported by the province. (This Committee regrets that the School of Forestry is not also located at

Guelph.) To be adequately prepared for the future, the three should be co-ordinated. It is therefore recommended that:

> "The Ontario Agricultural College, the Ontario Veterinary College and the Macdonald Institute of Home Economics should be federated into one educational institution under a president and three deans, namely, a dean of agriculture, a dean of veterinary sciences and a dean of home economics."

Whether the new federated body should be accorded the status of a university, whether it should continue to be affiliated, as at present, to the University of Toronto for degree-granting purposes -- these are questions which may be decided at a future date in the light of further experience.

This Committee believes that it is desirable at this time to take full advantage of presently untapped sources of support and encouragement. It is therefore recommended that:

> "There should be a Board of Regents for the federated institutions consisting of twelve members whose duty it would be to study and make recommendations on matters of policy, administration and finance."

The Board of Regents should be appointed by Order-in-Council on recommendation of the Minister of Agriculture. Members should be selected in the numbers suggested below from a panel submitted by five organizations which are vitally concerned with the future of agriculture:

Ontario Federation of Agriculture	5 members
Ontario Agricultural College Alumni Association	3 members

Ontario Veterinary College Alumni Association	2 members
Macdonald Institute Alumni	1 member
Federated Women's Institutes of Ontario	1 member
Total	12 members.

In addition, the Deputy-Minister of Agriculture and the President of the federated institutions should be ex-officio members of the Board.

It is further suggested that the above-named organizations, when submitting their panel, should name three times the number to be appointed.

In order to assure continuity of constructive policy, it is recommended that:

> "The Board of Regents in the first instance should be appointed for staggered terms of two, three and four years respectively."

The Board itself should appoint from among the members a Chairman and executive officers. Members should receive a per diem allowance for expenses.

It would be the responsibility of the Board to study all phases of overall policy. In consultation with the President, policy and plans should be formulated. It should also be the function of the Board to place its annual program before the government through the Minister of Agriculture so that adequate provision may be made each year for financial and other support of such a well-considered program. Upon acceptance of the program by the government, it would naturally be the duty of the Board to see that it is fully implemented.

This Committee believes that, with such changes in organization, the institutions at Guelph could better dis-

charge the vast responsibilities which await them.

The appointment of agricultural representatives, in co-operation with the counties, began in 1907. Since that time the Extension Service of the Department of Agriculture has steadily grown in influence and usefulness. This Committee has had ample evidence that the work of the agricultural representatives is highly valued by farmers and there is a considerable demand for vigorous expansion. Much of the evidence from farmers and farm organizations also indicated it is desirable that the extension forces in agriculture should be more closely linked to the facilities for research, publications and education which are presently divided between Guelph and Toronto. It is therefore recommended that:

> "The Director of Extension for agriculture and all agricultural officials, other than those engaged in the administration of legislation or in inspection, should be transferred from Toronto to Guelph to facilitate close co-operation with the appropriate departments of the federated institutions,"

and:

> "The Director of Extension should remain directly responsible to the Deputy-Minister of Agriculture as at present to facilitate the direct co-ordination of extension work amond the federated institutions at Guelph, the Agricultural School at Kemptville, the Horticultural experiment station at Vineland and the Western Ontario Experimental Farm at Ridgetown,"

and:

> "The Director of Extension should have supervision over all the county officers of the Department of

Agriculture and in addition should direct the whole program of agricultural extension in Ontario,"

and:

"All extension at the county or farm level should be integrated with and co-ordinated through the agricultural representatives in the county offices, so that extension staff from any department of the federated institutions at Guelph or the western Ontario experimental farm at Ridgetown, the horticultural experiment station at Vineland or the Kemptville agricultural school, would work through the county offices of agricultural representatives."

This Committee is much impressed with the value of films and radio for conservation purposes. Many farmers and their families never get the opportunity to visit experimental farms or similar demonstrations of modern practice. The message can be taken to them in their own locality by picture and radio. The indications are that television may soon be available in Ontario also. It is recommended that:

"Extension workers should be given special training in the use of radio and eventually television for promotion of the conservation program,"

and:

"A larger series of suitable conservation films should be prepared and made available for the widest possible showing not only by extension workers but also by schools and interested organizations."

At present an Assistant Agricultural Representative can look forward to appointment as a Representative when another county falls vacant, which frequently occurs just

when he is becoming most useful to the people among whom he served his apprenticeship. At almost every hearing of this Committee in rural Ontario, farmers stressed the fact that

(Take C follows)

Representatives are overloaded with existing demands and commitments. It is difficult to imagine how they could undertake any more unless the work were re-organized. Yet an extended and accelerated conservation program must of necessity depend in large measure on the County Agricultural Representatives for leadership and organization. It is recommended that:

Associate representatives should be appointed with salaries corresponding to those of representatives so that they might remain for longer periods in the counties where they become familiar with local conditions; and

Extension work in connection with boys' clubs and the like should be conducted by specially trained club leaders on a regional rather than a county basis, thereby realeasing representatives and their associates or assistants for conservation work.

It is believed that these two recommendations, if implemented, would go far towards relieving present representatives of multifarious duties requiring much time and effort, thus permitting them to plan and pursue local conservation activities in co-operation with the local farmers and organizations.

Demonstration Farms

At all the rural hearings held by this committee, farmers and farm organizations recognized the value of experimental farms, both Dominion and provincial, and their great contribution to improved agriculture.

Experimental farms, however, are essentially scientific laboratories and their methods and procedure of doing research work supported by public funds are not open to the average farmer.

Demonstration farms are a different matter. All were

agreed that demonstration or model farms operated at government expense do not satisfactorily meet the need. What is needed is demonstration of what the average farmer can do in the average farmer's circumstances, which of course are very different from those of the subsidized farm.

This means that demonstrations must be carried out by a practising farmer as a practical proposition on his own land. A financial exception could be made for a special demonstration of "what not to do", which might be staged on one field or a plot of an average farm, and for which it might be necessary to compensate the owner.

The Dominion government already gives guidance to a number of "Illustration Stations" which are operated by the owner under an agreement with the Central Experimental Farms.

This Committee belives that a highly effective medium for demonstration has come into being in Ontario. The County Crop Improvement Associations are voluntary bodies actively engaged in the promotion of better farming, and they are linked together in a strong provincial organization. In these Associations it is the farmers themselves who are taking the initiative, and they are beginning to show what magnificent conservation work can be organized by the farmers themselves.

For example, the Middlesex Crop Improvement Association has an ambitious and constructive program for 1950. This organization of practical farmers states "Our Aim" as follows:

> "Stressing the grave need and bringing to the foremost attention of every farmer in Middlesex the urgency of soil restoration, i.e., restoring the organic matter and soil fertility of his soil, increasing yields per acre, lowering costs of production, and conserving for future use Middlesex topsoil."

The Middlesex Association, at an estimated cost of $4,000 (of which $1,000 is a provincial grant), plans three useful projects for 1950.

Project No. 1, "Hunger Signs in our Crops and Fertility Management", involved 60 greenhouse flats containing wheat, oats, barley, corn, soybeans, white beans, permanent pasture and tobacco. Seven completely different illustrations replicated on each variety would show starvation and plant food hunger signs (the symptoms of soil depletion) with appropriate soil correction methods.

Project No 2, "Sponsoring a Complete Soil Testing and Plant Cell Tissue Testing Program", involves soil testing every Middlesex farm in 1950, spring and summer, with check work in August and September.

Project No. 3, "Field Experiments and Demonstrations" involve 30 five-acre experiments and demonstrations on a 1, 2, or 3 or 5-year basis depending on type, allocated two to each township in Middlesex, the farmer himself to do most of the work, with the assistance of a Township Committee man and the supervision of a Soils Fieldman to be employed for part of the year by the County Association.

What has been outlined above represents this Committee's views of effective, practical demonstration work at the community level, sponsored and promoted by local people with the assistance of the Agricultural Representative and a government grant. This project appears to be coming from the grass roots and not from the top down, which means that it is likely to be successful.

Building on the base of local activity and interest, it must become possible to establish "pilot farms" which would show the way for their neighborhoods in sound conservation

farming. Owned and operated by practical farmers, spurred on by local community interest and technical assistance, these pilot farms could make a great difference to agriculture. This Committee believes they can be most effectively promoted through the County Crop Improvement Associations. It is therefore recommended that:

> In co-operation with the County Crop Improvement associations, every encouragement and assistance should be given to promoting special demonstration projects and "pilot farms", operated by practising farmers, which would apply the findings of research in a practical way under local leadership with such technical assistance from the Land Use Advisory Services as may be necessary.

Laboratories.

A feature of the expanding extension program is the proposed establishment of regional soil and veterinary science laboratories. This need arises because many important farming areas are too far away from existing laboratories at Guelph, Kemptville, Vineland and Ridgetown.

In the interests of efficiency and economy, these and any other regional laboratories should be housed, so far as possible, in the same building at each regional centre. They will be discussed under two headings:

(1) Land Use Advisory Services.

(2) Veterinary Laboratory Services.

(1) Land Use Advisory Services.

It is essential that the service work extended by the Department of Soils at Guelph be done in co-ordination with County Agricultural Representatives. This can be accomplished under the supervision of the Director of Extention, and carried into the field by the Land Use Advisory Services, working

in close conjunction with the county offices on farm problems. The Land Use Advisory Services would include:

(a) Soil Management Advisory Service.

(b) Farm Planning Service; "Agricultural Engineering" might be a better name.

(c) Drainage Surveys Advisory Service.

To permit and to assure close co-ordination of all activities connected with each of these services, the supervisor of each should be directly responsible to the staff member in charge of the Land Use Advisory Services. It is proposed that there be nine regional soils laboratories, seven in Southern Ontario and two in Northern Ontario.

(a) Soil Management Advisory Service.

In order to maintain the soil testing and advisory service at a uniformly high level, there should be a supervisor with headquarters in the soils department at Guelph, who would investigate and standardize methods, keep abreast of research, and give guidance, assistance and direction to the field men.

The regional laboratories of course would be fully equipped for soil testing. Each would require a field man to carry on field demonstrations, give advice to farmers on soil problems and make recommendations based on soil test data. The field men would have to work in close touch with County Agricultural Representatives and with other field men engaged in farm planning and drainage problems. The field men would also be required to give short courses in rural communities as well as some teaching with students who take a two-year diploma.

It suddenly came to me, as I had so much discussion about it, and it was the feeling of the community that soil testing is most highly desirable and very badly needed.

It is either in the counties of Bruce or Grey -- I am not sure just which -- but in that area it is perfectly obvious that a good farming area is sort of an isolated area, and is not able to use the facilities at Guelph.

Another area is down close to the home of the hon. Prime Minister (Mr. Frost), west of the Kemptville Agricultural School, and before you come to Guelph.

(b) Farm Planning Service

Farm planning of the type involving special erosion control measures (for which there is at present considerable need and demand) will require specially trained personnel, including one senior staff member, all with headquarters in the soils department at Guelph.

These men also will have to work closely with the Drainage and Soil Management field men and the County Agricultural Representatives. It is through these latter in the field that the request for special types of service may be expected to come. The Agricultural Representative, thoroughly familiar with his own area and its people, is in the nature of a "general practitioner", and he will know where to turn and when a farmer needs a specialist or consultant.

Consultation with other specialists in the Departments of Agricultural Economics, Field Crops, Animal Husbandry and Agricultural Engineering will bring assistance on specific problems such as costs, varieties, breeds, feed requirements, terracing, water control, farm ponds, the lay-out of farm fields and fences, etc.

I am going to say only a word on "Drainage Surveys and Advisory Service".

As land drainage is a part of soil development, utilization and conservation, it is thought that, to be efficient

service of this kind should be included among the Land Use Advisory Services. This will permit very necessary co-ordination with the other factors in land use and the fullest information from other field men and the County Agricultural Representatives. For example, soil tests will assist the drainage expert in preparing a tile drainage plan. Moreover, field drainage experiments can be carried out most effectively by drainage field men with help and guidance from other field men working on fertility and farm planning problems as well as the field parties engaged in soil surveys.

In concluding this explanation of the proposed Land Use Advisory Services, it may be pointed out that the establishment of regional laboratories collaborating with field men and County Representatives would encourage farmers to band together and undertake innovations in land use practices on their farms which could be of great mutual benefit. After all, the finest government services will not avail unless the man on the land takes advantage of them. When the United States Department of Agriculture embarked on an ambitious soil conservation and extension program some 15 years ago, it met with little response at first from farmers, despite the generosity of the government. It was not until machinery was established whereby the farmer, or groups of farmers acting together, could take the initiative in commencing improved agriculture, that real progress in soil conservation was achieved. There is already much evidence that this initiative exists on the part of Ontario farmers who have been requesting land use advisory services, which, due to lack of personnel and organization, have not been available.

(2) Regional Veterinary Laboratory Services

The veterinary sciences have been making great gains. Ontario has the advantage of a college and research centre at

Guelph which is the only advanced institution of its kind in Canada and draws students from every province and many other countries.

In recent years important diagnostic methods and a wealth of new information have been developed as a result of scientific research. These demonstrate the futility of any field consultation service unless supported by adequate laboratory backing. To be of any value, amny of the investigations required will necessitate prompt laboratory results, not in a few days' time but in a matter of hours. If, for example, a flock of 10,000 hens are attacked by a mysterious disease, diagnosis must be swift, not only to assist the owner but to protect other poultrymen in the whole area.

It is impossible, under these conditions, for the laboratories at Guelph to serve the whole province. The Minister of Agriculture has provided for new laboratories at (a) Kemptville, (b) Kingston, (c) a centre in Northern Ontario. Although authorized, the latter two are not yet in operation, due to a shortage of trained personnel.

Further to assure that field consultation will have adequate laboratory support, it is recommended that:

> In addition to the veterinary laboratories soon to be established at Kemptville and Kingston, a third laboratory should be established as soon as personnel are available in north-western Ontario, a fourth in Bruce or Grey County and a fifth at Ridgetown.

Chapter 15 -- Agricultural Research

Many forms of research are discussed elsewhere in this report. At this point, it seems necessary to make special mention of some of the actualities and potentialities of agricultural research work at provincial institutions.

Agricultural research, wisely conceived and competently executed, is the foundation of all sound programs of education and extension. Without it the extension worker would in the long run, be of little value to the farmer.

Current program.

In January, 1950, there were 335 individual research projects actively under way at our agricultural institutions. These were distributed as follows:

Ontario Agricultural College, Guelph	241	projects
Ontario Veterinary College, Guelph	22	"
Horticultural Experiment Station, Vineland	62	"
Farm Economics Branch, Toronto	10	"

A survey of the present program indicates that study and investigation of the more important problems in each field are being undertaken, and that research workers are closely in touch with the problems at the farm level. As such, most of the research projects carried on at the Ontario Agricultural College are of the "applied" type, and of an investigational nature directed at obtaining immediate practical results. Such studies are of course commendable.

However, certain long-term fundamental research that is required on many of our agricultural problems, although not overlooked, is decidedly limited by inadequate resources. Too often it has been the practice, when annual estimates are considered, to make reductions in the field of fundamental research, which, although not yielding immediate practical results, is the very heart of a research program. It is from such fundamental research that new approaches, investigations and solutions of agricultural problems are created.

With the recent appointment of a Director of Research, whose headquarters is at Guelph, steps are being taken to bring

about the fullest co-ordination of effort among the various branches and departments, to avoid duplication of effort and expenditures, and to insure effective team-work in group research where possible.

On the question of "duplication" may I interject this, Mr. Speaker? It was the thought of some members of the committee when we started, and I also heard it expressed many times by many people in many places, that there was a great amount of duplication between the Federal and provincial departments, but I am happy to say -- and I say this with the approval of all members of the committee -- that we found the minimum of duplication, and the maximum amount of co-operation, both Federally and provincially.

SOME hon. MEMBERS: Hear, hear.

MR. THOMAS: Larger projects such as Potato Scab Research and Legume Seed Setting Research are organized under special committees which include representatives from the Dominion Experimental Farms Service, and from the Dominion Science Service as well as from various Departments of the Agricultural College. This type of "group" research is becoming more common as its advantages become better appreciated.

The Research Council of Ontario, through its Advisory Committee on Agricultural Research, assists in the co-ordination of agricultural research, and also in the training of research specialists by awarding scholarships for graduate students in Agriculture. The Research Council has also offered to support the expansion of the agricultural research program with grants-in-aid for special projects, particularly in fundamental investigation.

Mr. Speaker, I would like to lay some stress upon the capacity for expansion, and I will refer to that again, before I am finished.

Having regard to the present teaching load at the undergraduate level, the personnel available for part-time or full-time research, and the physical facilities (such as laboratory space and equipment), the present program of projects is all that can be carried in most Departments of the Ontario Agricultural College and the Ontario Veterinary College. Any expansion of the research program in either institutions would require additional qualified research workers, and some additional laboratory and other assistants. In the case of the Veterinary College, more laboratory space and apparatus are both needed before a larger research program can be undertaken.

The completion, this winter, of the new Fruit Products Research Laboratory at the Horticultural Experiment Station, Vineland, will provide additional space and equipment for an expanded program there. Further specialist personnel, however, will be needed to staff the new laboratories.

Needs for the Future

Because farming is constantly faced with new problems which are of great complexity and touch many different sciences, and the making of adjustments in organization and operation, the agricultural research program, like agriculture itself, must be a continuing program. Like agriculture, it can never be static. Problems must be worked at until the answers are forthcoming, no matter how difficult or discouraging they may be. Ontario agriculture cannot wait for some other province or country to do our research work for us. Ontario must carry its own responsibility for active research on its own problems. Thus it is of the utmost importance that adequate appropriations be made each year to maintain agricultural research work at the necessary level of activity -- which must be a high level.

To further assure that this continuing research program

is fully integrated with agricultural education and extension, it is proposed that the Director of Agricultural Research located at Guelph should remain directly responsible to the Deputy Minister of Agriculture, as is the present arrangement. The Director of Research, by authority of the Deputy Minister, should be responsible for the co-ordination of research work in the laboratories at Guelph, Ridgetown, Vineland and Kemptville, and shall work directly with the heads of the respective institutions.

Responsibility for direction of graduate studies, which are closely associated with research, should continue to be vested in the Director of Research, except that in respect of this phase of his work he would be responsible to the President of the proposed Federated Institutions. The importance of co-ordination between graduate studies and the research program cannot be over-emphasized. Further, teadhing standards in our agricultural and veterinary colleges, in the agricultural schools and short courses, will soon suffer if not re-vitalized at regular intervals by the transfusion of new ideas and information from research workers.

A School of Graduate Studies in a college, to be recognized, must include a well-directed and vigorous program of research. Graduate level of instruction cannot be given from textbooks alone. It must stem from knowledge and experience, gained by active participation in research work. By the same token, a well-organized and well-administered School of Graduate Studies is the heart of the research body in a college or university. Graduate students are "research workers" in training, and they serve as a valuable task-force to direct against the problems of various kinds being studied in the departments.

Research and education advance together -- without them our teaching and extension staffs would soon be helpless.

Additional personnel urgently needed to balance the present research staff and graduate studies' instruction at the Ontario Agricultural College include:

(a) An Animal Geneticist.

(b) A Specialist in Statistical Design of Research.

That is very important, and there are very few of these specialists in statistical design of research in the United States. The outstanding one, of which I have knowledge, is in England. Without these gentlemen, you might spend $20,000. or $30,000., and when you get through, if you have not secured a proper yardstick for your further work, all your expenditures mean practically nothing.

The livestock improvement program of the province must finally resolve itself into a question of genetics. The successful expansion of the Artificial Insemination Program now under way calls for the guidance of an Animal Geneticist, if it is to be of permanent value. Further, graduate studies in animal husbandry need an Animal Geneticist to give the basic science this Department requires for such work. Such an appointment should be at professorial rank.

The design and layout of both laboratory and field investigations has become a specialized task which can be properly done only by those with special training in mathematics, statistical methods and biometrics. Such a person is lacking on the present staff. For the instruction of all graduate students and the effective planning of most types of research projects in all departments, there is urgent and immediate need for the appointment of a properly qualified person of professorial rank. An amateur or novice in this field would be worse than none at all. This Committee therefore recommends that:

There should be appointed to the staff of the Ontario Agricultural College research specialists in animal genetics and statistical design of research.

These two appointments would constitute an important forward step likely to place the research program in the forefront with the best of the agricultural colleges in Canada.

Mr. Speaker, following the discussion and recommendations just presented from chapters 14 and 15, on co-ordination of agricultural services and agricultural research, I would like to make some personal observations regarding the O.A.C. in particular.

At the very outset, may I pay tribute to the hon. Minister of Agriculture (Mr. Kennedy), for his very personal interest in the colleges on the campus at Guelph and also for what he has done for these three institutions during the past five years in particular.

As a farmer and a graduate of O.A.C. in the Class of 1922, I naturally have a very particular interest in the O.A.C. and its staff. I would like now to give the hon. members some information pertaining to the graduates and under-graduates of this, our provincial agricultural college.

This is the summary of students, both graduate undergraduate and associate, since the founding of the O.A.C., about 76 years ago.

Four hundred and seventy-two, or 20 per cent, go into farming; 874, or 35 per cent, go into industry, that is agricultural industry; 1130, or 45 per cent, go into professional agriculture,

Of the associate students, 459, or 56 per cent in farming; 252 or 34 per cent in farming industry, and 70 or 10 per cent in professional farming.

There are some who are critical of O.A.C. and we have recently had rather pointed criticism from a very distinguished graduate, now a professor of Economics at Harvard, namely, Dr. Galbraith. Owing to the fact that Dr. Galbraith at the last annual meeting of the Canadian Federation of Agriculture at Niagara Falls made it a point to again criticize the O.A.C., I feel it incumbent on me as a graduate, a farmer and a member of this House, to make some assertions regarding Dr. Galbraith's particular criticisms. Had the remarks of Dr. Galbraith been followed by constructive suggestion, I would not attempt to express an opinion at this time. May I say that Dr. Ken Galbraith is a very personal friend of mine -- a native of Elgin

(Take D follows)

County - a man of marked ability and a member of a distinguished family whose relatives still reside in Elgin.

During his career, which I followed with interest, I am afraid he has lost touch with his Alma Mater and Ontario Agriculture. He raised the question "what is wrong with O.A.C.?" and in answering the question went on to point out that this Agricultural College was decadent and almost obsolete. Mr. Speaker, in a few brief sentences, I would like to give my personal reply and opinions.

First, I think Dr. Galbraith should pay an extended visit to Ontario and particularly to O.A.C. and become posted and up-to-date. In fact I might suggest that the Alumni Association or the hon. Minister of Agriculture (Mr. Kennedy) invite him to come to Ontario and offer some constructive advice.

It might interest this House to know that the O.A.C. during the last War was badly disrupted due to several of the Buildings being turned over to the R.C.A.F. Those war years were naturally crippling so far as progress at O.A.C. was concerned, and any institution faced with a come-back and very large post war classes was automatically handicapped.

I would point out that during the past four years all departments at O.A.C. have been strongly staffed with both teaching personnel and highly trained research experts. The Bacteriology Department is now regarded as one of the six best on this Continent--the Animal Nutrition Department has the confidence of both the farmer and the allied agricultural industries. Biology graduates find the door open for post graduate work in any American University. The poultry Department is second to none and so I could go on through all the various Departments. Since 1946, a new Soils Department and also a Department of Agricultural Engineering have been

established. In the past three years, 38 staff members have had offers from other sources but only five have left the College, thereby indicating loyalty and satisfaction. A four year Course in House hold Economics has been instituted. A regular graduate school has been established with 40 students from 11 universities. From the graduated class of '49 alone, --34 of its members are pursuing post-graduate studies. Eighty members of the College staff now have senior degrees and 19 of these have their Doctors degree.

Mr. Speaker, may I further direct attention to the broader field of influence of the O.A.C. In this present House today are at least five O.A.C. Alumni, namely-- my friend the hon. Member for Brant (Mr. Nixon) a former premier of this Province, and the senior Member of this House, having beein a member continuously since 1919, and also a Cabinet Minister in the Drury Government at the early age of 29, if my memory is correct. Also the hon. Minister of Public Welfare (Mr. Goodfellow) presently a member of the Cabinet, the hon. Minister of Reform Institutions (Mr. Hamilton, the hon. Member for Oxford (Mr. Dent) a renowned Breeder of Holstein Cattle, also the hon. Member on my right, the hon. Member for North Middlesex (Mr. Patrick) a noted sheep breeder and myself, the member for Elgin. I doubt, Mr. Speaker, if any College or University has as many Members in any one Parliament. In addition to those I have mentioned I can think offhand of many distinguished graduates-

Hon. Walter Jones, Premier of Prince Edward Island

Hon. A.W. McKenzie, Minister of Agriculture of Nova Scotia.

The Deputy Ministers of Nova Scotia, New Brunswick, Ontario and British Columbia.

The Deputy Minister of Agriculture for Canada, formerly

Minister of Agriculture in Saskatchewan

Hon. E.G. Drury, former premier of Ontario.

The Hon. Nelson Monteith, Former Minister of Agriculture.

Hon. John Bracken, former Premier of Manitoba for over 20 years and former Leader of our party at Ottawa

Hon. P. M. Dewan, Minister of Agriculture from 1937-43.

In the field of business I would recall:

Dr. Hannam, President of International Federation of Agricultural Producers

A.F. Jones, President of Borden Company of Canada.

H.R. MacMillan, MacMillan Lumber Co.,B.C.

and many others whom I could mention.

Twelve graduates I know of are editors of farm papers. Thirty-eight graduates whom I know personally are Collegiate or High School Teachers and eight graduates are preachers or missionaries in foreign countries.

This personal recollection of some graduates, Mr. Speaker, serves to illustrate that many graduates received inspiration and personal encouragement from the course at O.A.C. and many of us owe a debt of gratitude to the very personal interest of members of the Faculty.

The Agricultural Representative Service in Ontario, and most of the officials in the Department of Agriculture, are graduates of O.A.C. and therefore are daily extending the influence of their Alma Mater.

To return, Mr. Speaker, to Dr. Galbraith's original question "What is wrong with O.A.C." may I state briefly and simply my answer: Nothing but old fashioned growing pains and a bursting of the agricultural seams.

Mr. Speaker - today we stand at the croos roads in so far as fundamental agriculture is concerned. By vision, courage and leadership we can in Ontario point the way. I would like to record some figures on agricultural expenditures since 1880. to me these figures indicate that an increase in appropriation for agriculture is necessary and warranted. After all, the major industry of this province which produced in 1949 a revenue which is very vital to our provincial and national economy.

(Page D-5 follows)

ONTARIO AGRICULTURAL COLLEGE

COMPARATIVE STATEMENT OF EXPENDITURES

FISCAL YEAR	TOTAL EXPENDED O.A.C. & EXP.FARM	TOTAL EXPENDED AGRICULTURE DEPARTMENT	PERCENTAGE OF O.A.C. EXPENDED TO DEPT. OF AGRIC. EXPENDED	TOTAL EXPENDED ONT. (PUBLIC ACCOUNTS)	PERCENTAGE O.A.C. EXPENDED TO TOTAL ONT. EXPENDED
1880	23,803.14	103,138.52	23.07%	2,518,186.80	.94%
1890	51,590.31	155,582.77	33.15%	3,896,324.38	1,30%
1900	79,142.43	209,168.66	37.83%	4,003,729.37	1.90%
1909-1910	188,496.41	621,514.94	30.32%	12,591,529.64	1.49%
1919-1920	471,068.06	1,273,708.86	36.98%	82,844,790.28	.56%
1924-1925	630,769.44	2,258,330.50	27.93%	66,487,278.84	.94%
1929-1930	839,114.85	2,723,778.09	30.80%	83,024,461.77	1.00%
1933-1934	751,638.79	2,127,396.46	35.33%	89,419,782.47	.83%
(Note - 1934 - 35 not shown due to change in date of fiscal year)					
1939-1940	769,888.65	2,121,697.54	36.28%	82,365,094.40	.93%
1944-1945	774,684.56	6,054,807.25	12.79%	93,281,307.13	.82%
1948-1949	1,975,678.37	7,832,979.05	25.22%	213,570,763.88	.92%

(Page D-6 Follows)

VALUE OF FIELD CROPS --- LIVE STOCK

Ontario 1898

Field Crops	110,528,947.
Live Stock	103,744,223
	$214,273,170

1898 ------ $214,273,170.

VALUE OF FIELD CROPS --- LIVE STOCK

Ontario 1948

Field Crops	369,349,000
Live Stock	466,333,300
	$835,782,300

1948 ------ $835,782,300.

One of the most difficult of all questions arising in connection with a conservation program is the question of administration. The subject is far-reaching and extends along many fronts and at all levels of responsibility, both public and private. The result is that almost every Department of Government - Federal, Provincial and Municipal - has a certain degree of responsibility although some are undoubtedly more directly involved than others.

In view of the Canadian Constitution, which vests control of natural resources in the Province, it is obvious that the provincial role must be one of great importance. On studying the structure of provincial administration it soon becomes clear that three Departments in particular have necessarily become coverned in a large way with conservation matters, namely, Agriculture, Lands and Forests, Planning and Development. These might be described as the "major" Departments from a conservation point of view. They have many opportunities to give leadership and guidance and their influence can hardly be overestimated. Agriculture is in touch with the farming population through countless activities. Lands and Forests is actually charged with the administration of a vast empire comprising about 85 percent of the land area of Ontario as well as with forest management and tree-planting. Planning and Development has functions of a different kind which are particularly significant in relation to rivers, watersheds, and conservation survey work generally.

It is also important to note that the three major Departments are constantly called upon to co-operate with local bodies of many kinds for conservation purposes, for example, in field demonstration days, tree planting projects and the like, and co-operation with Conservation Authorities.

The development of this liaison between provincial authorities and local groups is of the highest importance to the success of a conservation program.

Apart from the three which have been described as "major" Departments for conservation purposes, it is clear that most of the others are also involved. On reflection it will be noticed that the Departments of Highways, Public Works, Health, Mines, Education and others, as well as the Hydro Electric Power Commission, and the Ontario Northland Railway are directly or indirectly involved in matters relating to conservation.

The very fact that so many different Departments and Agencies are necessarily concerned with conservation creates a problem. If there is to be a policy or program it must be administered not by one Department but by many. There is an old saying that "Everybody's business is nobody's business". Even with the best of intentions on the part of all concerned, a policy or program can hardly succeed without a high degree of integration and co-ordination.

It is sometimes suggested that a new Department or Commission should be set up to supervise and co-ordinate the conservation program. After careful consideration, this Committee is satisfied that a new Department or Commission would not be a satisfactory solution.

No matter how broad the powers of a new agency might be in theory, it would still be a fact that major Departments of Government necessarily become involved in conservation matters every day of the year.

Secondly, it is asking the impossible to expect that a new and ver junior Department can exercise sufficient influence to co-ordinate the work of much older, much larger

Departments which already have widespread contacts and traditions in almost every locality of the Province, as indeed they should have.

Thirdly, the success of a conservation program depends on the co-operation of a large number of citizens. This Committee believes that their co-operation and support can be enlisted more effectively through existing Departments and through pulbic servants who are already well-known in the areas they serve than through any new Department or Commission. It is believed that the creation of a new Agency, which might appear to duplicate or compete with work already under way, would not be favourably received by the public and might actually alienante some of the support which is greatly needed.

For the foregoing reasons and others the Committee cannot recommend the creation of a new Department or Commission. This is not to overlook the importance of conservation, but rather emphasizes its comprehensive scope and deep importance. Such high matters of policy undoubtedly call for integration and co-ordination, for a policy or program, both short-range and long-range. A patchwork series of improvisations would not meet the need. This Committee wishes to emphasize that there must be integration and co-ordination under an overall program. The question remains: How is it to be achieved?

After careful inquiry and thought, this Committee has come to the conclusion that only one Department of Government is capable of exercising that degree of influence and authority necessary to assure the co-ordination and integration of a program whose ramifications extend into almost every Department and Agency of Government. That one Department having the requisite authority is the Department of the Prime Minister himself accepted leadership in relation to overall

policy. Policy after all will inevitably be wider than the field of any one Department.

To be effective, policy must be implemented. Here the responsibility will fall on many different Departments. However further to assure co-ordination and to encourage continuous co-operation between the public servants of various Departments, this Committee believes there should be a Chief of Conservation attached to the Prime Minister's Department. He should have the status of a Deputy Minister and be responsible to the Prime Minister. It goes without saying that he sould be a conservationist of distinction and ability.

A third necessity is the creation of an Inter-departmental Committee. Each Department concerned would be represented on this Committee by a Deputy Minister or other senior official designated by the Minister. The Chief of Conservation would be Chairman of the Inter-departmental Committee and his leadership would protect it against the disintegration which often afflicts committees composed of very busy men. It would be the duty of the Committee to review and supervise the work of all Departments relating to conservationat the public service level, and, in a larger sense, to make certain that policy decisions are duly implemented.

Certain conservation measures, both present and proposed, entail the expenditure of public funds. Because so many different Departments are concerned,these expenditures in the ordinary course would appear under Departmental headings, scattered through the Estimates and the Public Accounts. Thus it becomes impossible to view such expenditures as a whole, or to consider them in relation to the conservation program as a whole. Moreover, appropriations made for the purposes of a Department have a tendency to re-appear in the Estimates of

that Department year after year. This Committee is therefore of the opinion that there would be great advantages in consolidating all estimates necessary to carry out the Conservation Program under the heading of the Prime Minister's Department, even though the actual disbursement of funds would subsequently be made through the appropriate Department in the field. The Committee is satisfied, after inquiry, hat such an arrangement is feasible from a legal and accounting point of view. It would enable the Legislature each year in Committee of Supply to consider the costs of Conservation at one time, namely, while dealing with the Estimates for the Prime Minister's Department.

It is also suggested that provision should be made for an annual review of the program by the peoples' elected representatives through a Standing Committee of the Legislature. Undoubtedly many matters raised by local and provincial organizations could usefully be discussed by such a Committee, and it would afford an annual opportunity to the Chief of Conservation to report on his work and to discuss the program fully with members of the Legislature.

The Committee believes that the structure of administration which has been outlined would be more effective and efficient and would also be much less costly than any administrative alternative which might be suggested. It corresponds with the realities of the situation - which are: That conservation work must be done in many different Departments and at many different levels, while at the same time the integration and co-ordination of both policy and practice is absolutely essential.

For the foregoing reasons, it is recommended that:

The Department of the Prime Minister should be

vested with responsibility for the overall policy and program of conservation in Ontario.

For purposes of administration the Prime Minister should appoint a chief of Conservation, having the status of a Deputy Minister, whose duty it would be to bring about co-ordination and co-operation of all interested departments and agencies in matters relating to conservation.

An inter-departmental conservation Committee should be established with the Chief of Conservation as Chairman, each department concerned to be represented by the Deputy Minister or other senior official designated by the Minister.

Estimates required to implement a conservation program should be consolidated under the Prime Minister's Department, and the funds disbursed by the appropriate department in the field.

At each session of the Legislature, a standing committee on conservation should be appointed to review the program and work of the year.

In summing up, Mr. Speaker, may I again emphasize that a consolidated co-ordinated provincial program of conservation is highly desirable at this time - in fact the people of Ontario anticipate that such a program will be forthcoming. If the report of this Committee helps blaze a trail, sets a few guide posts and provides some inspiration and leadership, then all the members of the Committee will indeed be very happy, We all realize that it will take some years to accomplish many of the recommendations as given in our report, but we are all hopeful and confident that at an early date some of our suggested program can

and will be implemented.

And now, Mr.Speaker, in conclusion may I say that the people of Ontario await with interest the discussion and deliberations of this House with respect to Conservation. And if I may be permitted to express a personal ambition it would be this -- that I may be the private member for the Riding of Elgin sufficiently long to vote for and support the recommendations contained in this Report.

SOME hon. MEMBERS: Hear, hear.

(Page D-14 follows)

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, I move the adjournment of this Debate.

Motion agreed to.

MR. SPEAKER: Introduction of Bills.

THE MUNICIPAL ACT

Hon. G. H. DUNBAR (Minister of Municipal Affairs): Mr. Speaker, I move that leave be given to introduce a Bill intituled "An Act to amend The Municipal Act", and that the same be now read a first time.

MR. E. B. JOLLIFFE (Leader of the Opposition): Would you explain that, please?

MR. DUNBAR: There are 24 sections in this. Some are some slight changes. I would ask permission when it comes to second reading to deal with these, and to take these up with the Committee on Municipal Law.

I want it thoroughly understood that there is nothing here that will interfere with the duties of the government. if any hon. member of the house does not think it is sane legislation -- if such is thought -- We do not want it on the Books. It is left to the committee. There have been some speeches aboutapplications and that the delay was too short. We are extending that to 28 days. There was a misunderstanding regarding that. In that connection there was a list prior to the public hearing, and 14 days was thought barely sufficient time. We are now making it 28 days.

In the zoning by-laws, there are some changes, and there is one important one, and everyone will support this -- school teachers will be able to sit on municipal councils.

SOME hon. MEMBERS: Hear, hear.

I amy say that I had the pleasure of sitting in at Ottawa on a council where we had Dr. McNab of Gray Street School, and he was so held in affection by the people in the city that he was never defeated.

(Take E-1 follows)

Death was the only thing which took him out of the council. The McNab Park in Ottawa City is called after the late Alderman McNab.

There was a senior inspector of schools, Mr. MacGregor Easton, who was superannuated while he was a principal of a school in Ottawa.

Also we had Mr. Pushman, principal of the Creighton Street school, who was my opponent in the second last election. That did not matter, as we were good friends both before and after.

Sitting with these three gentlemen, who were all principals of city schools, I could not help but think they made splendid aldermen, and the people of Ottawa in those sections, were well pleased with their services. I am giving you now my personal views.

Then, another section provides for premiums on discounts or debentures, and how they will be handled. We want to get away from any difficulty in connection with debentures perhaps the higher rate of interest, where the premiums might be quite large, and the money saved there could be used to reduce the taxes for the current year. Then, we have a section here which provides for the transfer of pension of the municipal employees from one municipality to another, where a municipal employee is employed in one municipality, and is transferred to another, his pension is transferred with him. It is the same with the federal, the provincial and the municipal governments, any employee working in a municipality who is transferred, his pension will also be transferred.

I think on second reading I will be prepared to give more details if required.

MR. JOLLIFFE: Are those all the changes?

MR. DUNBAR: No, there are minor changes, just "tidying up".

MR. SPEAKER: Orders of the Day.

Hon. L. M. FROST (Prime Minister): Mr.Speaker, before the Orders of the Day, may I table answers to questions 21, 71 and 72.

MR. SPEAKER: Orders of the Day.

Hon. L. M. FROST (Prime Minister): Order No. 40, The Audit Act.

THE AUDIT ACT

CLERK OF THE HOUSE: 40th Order, second reading of Bill No. 90, "The Audit Act, 1950".

MR. FROST: Mr. Speaker, I move second reading of Bill No. 90, "The Audit Act, 1950".

Mr. Speaker, before the hon. member for Waterloo North (Mr. Brown) speaks, may I say this Act has been prepared by the Provincial Auditor himself. The Provincial Auditor, of course, is the servant of the House, and he has even prepared the speech I will give on it.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: I would not dare to make a speech on this subject myself, so he has given me the particular changes in this Act, which are ten in number, and are as follows:

"1. The rules and orders of the Auditor no longer need the approval of the Treasury Board and the Assembly, thus increasing the Auditor's independence and preventing disclosures of auditing procedures which might lead to their circumvention. S(6).

"2. The authority to make expenditure under Special Warrant now lapses at the year end thus assuring to the Assembly the voting of supply in respect to such items previously carried forward as unexpended under Special Warrant. S.13(4).

"3. The Auditor may now require payments to be referred to the Lieutenant-Governor in Council for his approval. Sec.16(2).

"4. An extension of the period for processing accounts to 30 days beyond March 31st has been provided rather than left to the discretion of the Lieutenant-Governor in Council, thus assuring a uniform accounting period from year to year. S.18(3).

"5. The Public Accounts are now to be presented to the Lieutenant-Governor in Council, not the Treasurer, and a definite time for their presentation has been established. S.19.

"6. The report of the Auditor is now provided for by a specific section which sets out the material that shall be included, and a definite time for presentation to the Assembly through the Lieutenant-Governor in Council has been established. S (25).

"7. Delegation of authority and the use of facsimile signatures is provided to enable the Auditor to use modern mechanical devices. Sec. 29.

"8. The sections of the old Act calling for the Auditor to operate a cheque register and appropriation ledgers have been deleted as the

" cheque register is now prepared coincidentally with the cheque writing and appropriation ledgers are established in each department.

"9. Section 31 of the Old Act has been repealed as this placed the authority for the contents of the Public Accounts and reports of the Auditor in the hands of the Treasury Board which was felt to be a restraint on the Auditor's indpendent position.

"10. The procedure in obtaining Treasury Board Orders has been revised and simplified and removes the Auditor from the position of intermediary between the petitioning department and the Treasury Board. S.23."

Now, Mr. Speaker, these changes were all changes which were discussed in the Public Accounts Committee last year, and I think the Act is modernized in every way. It might, of course, be argued that in connection with some sections of this Act, they might have been put in the form of a Treasury Act, but I do not think that would either add to or take away from the Auditor's position, and I think they could be considered at a later date.

In the meantime, the Act is as the Auditor has recommended it.

The Auditor himself (Mr. Cotnam) gave me a lot of things, books, documents, Acts, and the what-not to read, and I quickly got lost as to the meaning of various items in the auditor's language. They do not just seem natural to me.

He gave me a book, however, entitled "Public Administration , The Summer Number of 1948," and I will read one or two sections which did appeal to me. One of these sections was

about the parliamentary control of government expenditures, by the Rt. Hon. Osbert Peake, Chairman of the Public Accounts Committee of the British House of Commons, and he refers to it as being established out of disclosures made in the Dutch War, about 300 years ago, and there is this paragraph:

> "On the conclusion of the war, parliament was much exercised regarding a number of naval contracts, particularly those for masts. Commissioners of account were appointed, before him Pepys -- "

That is a reference to Samuel Pepys of Diary Fame.

> "-- and the report of the Commissioners was read in the House by Mr. Speaker on the 28th of February 1668.
>
> "On the 5th March, Mr. Pepys, fortified by a half a pint of mulled sack, and a dram of brandy, was summoned to the bar of the House, where he defended the Navy Board in a speech which was voted a masterpiece, and which lasted for three hours and a half. Thereafter, parliamentary interest in appropriation lapsed for over a century."

SOME hon. MEMBERS: Oh, oh.

MR. A. A. MacLEOD (Bellwoods): Are you making any provision for that in this new Act?

MR. FROST: I am defending myself for the fact that this Act has not been revised for 42 years.

The British Act was passed in 1866, and there has not been a revision apparently since that time.

Mr. Speaker, I now move second reading of Bill No. 90.

MR. J. G. BROWN (Waterloo North): Mr. Speaker, I am so extremely delighted to know that we have a new Audit Act before the House, and it has come so closely following the recommendations of the Public Accounts Committee, that I do refrain from offering any great amount of criticism to it whatsoever, unless the government might decide to withdraw it.

At the same time I must desist from any attempt on the part of the government to call it "The Brown Bill".

I had rather hoped that in the process of making up a new Audit Act -- because this is a new Act -- the government and the law clerks who assist them, would have followed very closely the Consolidated Revenue and Audit Act, Chapter 27, of the Federal Statutes. Or, in the absence of that, that they would have confined this Act directly and definitely to the duties of the Provincial Auditor, and not to read into the Act, as has been there before, many sections of an extraneous nature.

There I have in mind references to the Provincial Treasury Board. It seems to me there should be no connection between the Provincial Treasurer and the Auditor himself, and yet the very first section of this Act -- which is also the first section of the old Act -- states that the:

> "Lieutenant-Governor in council may appoint three members of the Executive Council to be a board to be called the 'Treasury Board'."

I rather hoped, and still do hope that this section, also section 8 and section 20 and section 23, all of which refer not to the duties of the Provincial Auditor, but to the duties of the Treasury Board -- will sooner or later become an Act in itself, and not be cluttered up in the Audit Act.

Also, it seems to me that section 28, which has to do with the recovery of the balances of public monies could very well be part of the Public Revenue Act, and not a section of the Audit Act.

Similarly, Section 30, dealing with departmental printing and stationery refers directly in this section to the Consolidated Revenue Act, and in my opinion should be there and not in the Audit Act at all.

These very, very minor objections to the Bill I am sure will receive the consideration of the government, and also the law clerks, and eliminating these objections, I believe everything else is strictly in accord with the recommendations of the Public Accounts Committee last spring.

(Take F-1 follows)

And, as has been pointed out by the hon. Provincial Treasurer (Mr. Frost), the list which he received from the Provincial Auditor very clearly illustrates the differences between the Act of 1908 and the proposed Act of 1950.

So far as I am personally concerned, the strength of the entire Act is summed up in section25 of the Act, outlining the annual report of the auditor, to whom he must report and on what he must report.

MR. L. E. WISMER (Riverdale): Mr. Speaker, I just wanted to add a word. I might have something to say about all this tomorrow. There are certain items which I would like to discuss which would fit a bit better into these financial operations, rather than the amendment of an act concerning the activities of a servant of thehonourable Legislature, or supposed to be servant of the government.

I would like to add my words of commendation to those of the hon. member for Waterloo (Mr. Brown). We have finally got around to bringing this Act up to date. I wouldlike to suggest to the hon. Prime Minister (Mr. Frost) that it would not take very long, while we are going through the procee of amending the Act and even, as thehon. member for Waterloo (Mr. Brown) suggests, it is probably very much in line with the recommendations of the Public Accounts Committee of last year, it would not takelong to take this Bill tothe Public Accunts Committee before it comes to Committee of the Whole House, so that the Provincial Auditor, or any other member of the Treasury Department, could be before the Committee, where we could ask: "Do you believe that by the language of this Bill, the powers that you wish and that we wish you to have have been granted?" I think that is a normal way for the Bill to pass through the legislative process of this House, and it would seem to me it would not take very long. It isimpossible to summon these officers before the

House, a Committee of the Whole, but we couldhave them before the Public Accounts Committee, and I would sincerely ask that we have a chance to go over some of these new sections with the Provincial Auditor and others there, to be satisfied that what we think we are doing, we are doing, and strengthening this Act and strengthening the independent position of the Provincial Auditor.

MR. FROST: May I say, Mr. Speaker, in respect to this Act, the Provincial Auditor has expressed his willingness to discuss the details of the Act with any hon. member, and I think has already done so with thehon. member for Waterloo North (Mr. Brown). If there are hon. members of the House here who are interested in this, I would be very glad to have them arrange to see the Auditor and discuss the matter with him themselves. I do not think, perhaps, it is necessary to formally call the Committee, but I would be very glad to arrange to have any hon. member of this House see the Auditor, and I will discuss with him a convenient time and place, probably in his office some morning or something of the sort, when the whole matter can be discussed before the matter comes to the Committee of the House, if that would be satisfactory.

MR. A. A. MacLEOD (Bellwoods): Is not the Public Accounts Committee going to meet anyway?

MR. FROST: Well, that is always at the option of hon. members of the House---any of these Committees, of course.

MR. W. DENNISON (St. David): Mr. Speaker, I would just like to say this in connection with the Bill before us: I am very pleased that the whole Act has been rewritten. I notice that the section dealing with the Estimates, however, does not make provision for one of the recommendations I made last year, which was that when the Estimates are brought before the House, that not only the Estimates be before hon. members in a column,

but the previous year's expenditures should be also in the same column,--

MR. MacLEOD: There is not enough room.

MR. DENNISON: --besides the Estimates. There may not be enough room in this book, but there is no reason why a larger book should not be provided. I would like to direct the attention of the House to the fact that in a great many municipalities when their estimates are before council, a large fold sheet is provided of 60 or 70 pages and not only the previous year's expenditures in that department and on that item are recorded, but the year before that, so that you have three years' expenditures on which to judge whetheror not the department is entitled to more appropriations.

I do think that would result in a much more business-like appraisal of the Estimates by all hon.members of the House at the time of the Estimates.

MR. BROWN: Mr. Speaker, might I suggest, following the recommendation of the hon. member for Riverdale (Mr. Wismer) that probably if the Provincial Auditor would make available to him and to me---I would discuss those various points outlined by the hon. Prime Minister (Mr. Frost)---if he would make available to us those changes, I think that might serve the purpose very satisfactorily. They are very clearly oulined in that preamble which you read to the House, and if that were made available to us, I think that would be quite sufficient.

MR. FROST: I will arrange with the hon.members as to when it is convenient.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order number 41,

THE ASSESSMENT ACT

CLERK OF THE HOUSE: 41st order, second reading of Bill number 102, "An Act to amend the Assessment Act." Mr. Dunbar.

HON. G. H. DUNBAR (Minister of Municipal Affairs): Mr. Speaker, I move second reading of Bill number 102, "An Act to amend the Assessment Act."

HON. LESLIE M. FROST (Prime Minister): This Bill goes to the Municipal Committee, anyway.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order number 42.

THE ONTARIO MUNICIPAL BOARD ACT

CLERK OF THE HOUSE: 42nd order, second reading of Bill number 103, "An Act to amend the Ontario Municipal Board Act." Mr. Dunbar.

HON. G. H. DUNBAR (Minister of Municipal Affairs): Mr. Speaker, I move second reading of Bill number 103, "An Act to amend the Ontario Municipal Board Act."

MR. C. C. CALDER (London): Mr. Speaker, may I inquire of the hon. Minister (Mr. Dunbar), does he propose that this Bill too go to the Municipal Committee?

MR. DUNBAR: No, you will have an opportunity of discussing it in Committee of the Whole.

MR. CALDER: May I inquire, Mr. Speaker, if the hon. Minister (Mr. Dunbar) proposes to outline the Bill to the House at this time?

MR. DUNBAR: Yes, I will be very glad to do so.

The principal amendments contained in thisBill are the provisions to authorize the appointment of two vice-chairmen to provide for additional signatures on orders and for administrative details resulting from the appointment of two vice-chairmen, so as to spread the work over the increased membership of the Board.

During recent years the volume of work which has fallen on the shoulders of the Ontario Municipal Board has increased so materially that in the public interest it was necessary to

increase the membership of the Board from three to five, and from five to seven.

There have been additional responsibilities placed on the Board, such as the chairman being appointed referee under The Natural Gas Conservation Act, which required nearly five months of his time during 1949; the Board being appointed referee under The Damage by Fumes Arbitration Act; the Board being appointed referee under the Municipal Drainage Act; the Conservation Authorities Act, providing right of appeal to the Municipal Board; The Wartime Housing Act, providing right of appeal to the Municipal Board.

Permission is given all property owners to carry their assessment appeals past the county judge to the Municipal Board, irrespective of the amount of the assessment. That was a very important part, giving the little fellow the same opportunity as the big man, as they call them inthis House, that is to say, it can be taken past the county judge, any amount of assessment, it doesn't matter what the amount of assessment is, he can appeal to the Municipal Board if he isnot satisfied with the decision of the county judge. He can also go past the Municipal Board on a matterof law.

That is one thing I am very proud of putting in The Municipal Act, giving the little fellow an opportunity, not saying that he must be assessed for $10,000 before he can appeal to the Municipal Board.

The principal cause of the enlarged activities handled by the Board are due to the increased number of applications made to the Board by municipalities for approval of zoning restrictions by-laws resulting from introduction of the Planning and Development Act. That isone thing too, that some municipalities, particularly that of the hon. member for London (Mr. Calder): feel that they should have full

say about the zoning, lifting restrictions or placing restrictions on streets. I must say I could not agree with this. When a first mortgage, a debenture, a restriction or anything else isplaced against a man's property, he should have the opportunity of appealing, there should be something higher than the local municipal council. He should have the opportunity of appealing to The Municipal Board so th t he will he protected. We have seen too muchof that in the past, you know, in municipalities where restrictions were endeavored to be lifted---of course, there are no objections to this, no hold-up in the work carried on by the municipal council, and it is not taking aw y any authority from the municipal council at all, it is only giving them protection, but at the same time it is giving the property owner, the taxpayer, protection.

The creation of the Department of Planning and Development has had the effect of making the majority of municipalities planning conscious. The municipalitiesquickly learned the advantage of restrictive b-laws, with the result that there was a flow of applications to the Municipal Board. I will not go on to give you the number.

Then there was the fact the applications here during the past few years increased to suchan extent. They increased from 224 in 1939 to 5641 in 1949, and the hearings held by the Board increased from 1134 in 1939 to 1917 in 1949. There are only 365 days in a year, and they are not all days that the Municipal Board can travel and meet, therefore, the number has got to be increased so we can hold hearings in different parts of the provinceon the same days, perhaps three hearingsor two hearings, which will give the residents, the taxpayers, the opportunity of bringing their---oh, complaints, as it might be, before the Municipal Board.

There has been some mention at the Municipal Associatiom

in London last year about certain works which were controlled by local improvements having to go to the Municipal Board to get permission to carry out the sidewalk extension, road extension, construction of sewers, etc. Surely there is no person in this House who feels they should put a first mortgage against a man's property without the opportunity of protesting? I do not think so. I know when these recommendations came before the Committee dealing with resolutions at the Municipal Board meeting in London, they were thrown out, but they were introduced the following day in the open session of council and they said: "Okay, let them go." Well, I ask you, what could any person say who was on the floor of the House when the city of London, the Mayor and aldermen, were hosts to the members of this organization, how couldthey get up on the floor of the House and say: "No," when they had in committee on resolutions thrown them out? They were not in favor of doing away with the right of the taxpayer to appeal to a higher authority than the city council.

As will be seen from the figures, in 1939 the Board did not meet expenditures, while in 1949 the revenue was much more, so that we are not asking for anything that the revenue is not looking after, because we willhave a surplus of about $80,000 in the Municipal Board, in revenue over expenditures this year. There is one thing, however, you should always keep in mind and that is when the Municipal Board goes to Fort Frances, they get $10; if they go to London, they get $10; if they go out to Oakville, they get $10. The province is standing the brunt of the difference in the expenditures of the Municipal Board when they go to Port Arthur and get $10 for going there, so I think the Board is giving the municipalities pretty fair service.

Some mention was made in the brief of the hon.member (Mr. Calder) of the theatre assessment. Well, of

course you could not always have a municipality agree, when they lose a case, that the judge had beenfair. They might not say so. However, that isone of the late cases on which the chairman whohas just resigned on account of ill health sat, and I do not think there is any person in this province, at least I have never heard any person in this province say that Mr. Coulter had not good judgment, did not treat the other person fairly and listen to both sides of the case. With respect to the Odeon Theatre case, which my friends were so upset about losing, the decision was written by Mr. Coulter, with all his years of experience on the Board and, as I said before, noted for his fair-mindedness.

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, I am opposed to this Bill, as I think every hon. member of the House should be. I would not be opposed to it otherwise, of course. I am opposed to it on general principle grounds. The whole question of the role of the Municipal Board in the life of our municipalities is something that could stand a very basic examination. It is not restricted to any one person or one community or one group, in fact I would be prepared to say that the opinion I am trying to give expression to cuts across party lines, and this opinion is that the Municipal Board has become a dictatorship foisted above the democratically-elected municipal governments, and that its powers are ridiculous in some cases, and alarming in others.

Regardless what the hon. Minister of Municipal Affairs (Mr. Dunbar) has said here, I think it is a rather serious situation when a city like Toronto cannot decide to construct sidewalks without getting the approval of the Municipal Board.

MR. DUNBAR: Just a moment. Oh, yes, if they pay for it out of current revenue, certainly, but if they are going to borrow money to pay for it, that is a first mortgage against the

property owners, the taxpayers, then they have to get permission.

MR. SALSBERG: I think it is still ridiculous and seriously challenging to democratic municipal governments for the Municipal Board to have to be appealed to and where approval has to be obtained by a municipality like Toronto for the construction of sidewalks if debentures have to be issued. I think a city the size of Toronto, holding elections every year---as I hope they will continue to do---has a government that knows what is required and would not get very far with any very extravagant expenditures if those expenditures are known to the community, as I think they are in Toronto. And just because they have to issue debentures does not mean they should come to the Municipal Board for approval, and it is within the powers of this Board, an appointed board, to nullify a decision, revoke it, just throw it into the wastebasket and the decision of a council amounts to nothing. And that is not only--

MR. DUNBAR: You know that is not right. You know they have to hold a public hearing and you cannot say that is "throwing it in the wastepaper basket."

MR. SALSBERG: It is not only in this case, but is in a lot of other cases. For instance, on amalgamation, annexation or whatever you call it, this attempted "shotgun marriage" in the Toronto area, this Board has altogether too much power. The hon. Minister (Mr. Dunbar) spoke a moment ago and defended this archaic method of the Board in the case of the construction of sidewalks by saying that the citizens in front of whose property those sidewalks are to be constructed should have the right and the opportunity to express themselves, yet it is the very same hon. Minister (Mr. Dunbar) who would deny the citizens and the taxpayers of Toronto and adjoining municipalities the

right tovote first on the question of amalgamation, and ispre-
pared to leave that in thehands of an appointed board!

HON. LESLIE M. FROST (Prime Minister): May hon. friend (Mr. Salsberg) is referring, I presume, to section 23 of the Municipal Act, which was passed, I think, inthis hon. Legislature some ten years ago. That Act provides that if there are objections to an order of the Board, then the Bill or the move must come before the hon. Legislature here for decision. The final decision is here, with the representatives of the people.

It is quite incorrect to say that the Board---the Board of course haspowers if there are no objections, but if objections are taken to any move of that sort, it has tocome here to the hon.. Legislature.

This House had an experience of that just the other day in connection with the Crowland annexation. The Board made its order there but there were objections and it had to come before the people's representatives. That is thoroughly democratic procedure.

MR. SALSBERG: Well, is the hon. Premier (Mr. Frost) prepared to saythat in view of the fact there is a great deal of objection to the--

MR. FROST: You are referring to the Toronto move; if the Board issued an order on that and there were objections before the Board, it has to come before this House before it is effective. It has to come before this House.

MR. SALSBERG: Yes, but you are not prepared to let the citizens vote on it before it comes to the Board.

MR. FROST: That would be decided by this House.

(Page F-11 follows)

MR. SALSBERG: But you would rather leave it in the hands of a Board you appoint.

MR. FROST: No, that might be decided by this House. I do not know what would be decided by this House. I would not want to pre-judge anything in relation to the Toronto situation, but I say if it comes up before the Municipal Board, and there is not agreement on the part of the applicants, on the part of the people who are affected, then automatically, it has to come to this House and it could be determined then. What might be done, I have no idea. I would not want to pre-judge the matter at all.

MR. SALSBERG: I am glad to hear the hon. Premier (Mr. Frost) has no idea yet. Mr. Speaker, but I know he has a determined wish, in fact I would say he has a resolution, in his own mind, at any rate, that this thing is going to take place, and it had better take place, or. I want to point out to the hon. Legislature that this Bill is in reality part of the preparations that this government is proceeding with to carry through amalgamation.

MR. FROST: Oh, no, no, no.

MR. SALSBERG: Regardless of the wishes of the citizens.

MR. DUNBAR: Mr. Speaker, that is absolutely wrong. I gave the number of applications to the Board during the past year, and that in itself demonstrates that the number should be increased.

MR. SALSBERG: Well, my opinion, Mr. Speaker, is that the Bill to enlarge the Board is prompted by the resolve on the part of the government to get the amalgamation through, and such an attempt, they know, will place a great deal of work on the shoulders of the Municipal Board as it functions now in its all-powerful realm, and therefore you have to

increase the number so they can begin to handle the countless number of questions that will be referred to them by the government and by those in municipalities around here who may agree with the government's policy on amalgamation.

MR. DUNBAR: Might I put the hon. member (Mr. Salsberg) straight on this? This Bill is not asking to increase the number of the Board, it is asking to put the second deputy chairman on the Board. The power is already in the Bill to increase the Board, any number we wish. You cannot find it here, but I gave you that explanation, through kindness gave you the explanation why we were doing that and why, with an increased Board, it would be necessary to have another deputy chairman, that is all. But the Bill is not asking you here to increase the Board. The Board has been increased.

MR. SALSBERG: Without a Bill?

MR. FROST: No, no.

MR. DUNBAR: No, we have the power in the Bill.

MR. SALSBERG: Of course, I know you increased the Board.

MR. DUNBAR: It is in the Act.

MR. SALSBERG: You increased it in anticipation of the amalgamation "shot-gun marriage" and now you merely want to put it straight --

SOME hon. MEMBERS: Sit down.

MR. SALSBERG: -- by appointing a vice-chairman so the Board can operate on two cylinders at the same time in two different directions, instead of operating as it does now in a limited way.

Hon. DANA PORTER (Attorney-General): On one cylinder?

MR. SALSBERG: The point I am trying to make, Mr. Speaker, is that this is closely related to the amalgamation

policy of the government, a policy with which I disagree. I think that instead of trying to force it through such channels --

MR. FROST: Mr. Speaker, I would like to clear up the hon. member's (Mr. Salsberg) mind on this, and others too. We are not introducing any legislation this year in connection with the so-called amalgamation of Toronto, or the Toronto area. We have meeting at the present time a Board or Committee consisting of the heads of the municipalities. I understood I was going to have a report from the Committee here a week ago. They since have advised me they want a little bit more time. As soon as that report is obtained, it will be tabled here in the hon. Legislature.

I wish to say that nothing, that I cannot imagine anything could be done in connection with the Toronto and area situation without its coming back here to the hon. Legislature.

I may say to hon. members of this House that there is not any intention of introducing any legislation on that point at this Session of the hon. Legislature, and I may say further to the hon. member (Mr. Salsberg) that the matter of the changes in the Municipal Board have not the remotest thing to do with the Toronto situation, not even remotely.

(Page F-14 follows)

MR. E. B. JOLLIFFE (Leader of the opposition): Mr. Speaker, I think it might be added---and the hon. member for St. Andrew (Mr. Salsberg) might be interested in this---that the Board has a great deal of work to do, which has certainly been increased, and which has nothing whatsoever to do with the Toronto area.

MR. FROST: That is right.

MR. JOLLIFFE: And as a matter of fact, one of the recommendations of The Conservation Committee would involve added responsibilities for the Board.

MR. FROST: Certainly.

MR. JOLLIFFE: Which would havelittle or nothing to do with Toronto and its adjacent municipalities.

MR. FROST: That is right.

MR. SALSBERG: Well, Mr. Speaker, I am glad to know the hon. leader of the opposition (Mr. Jolliffe) is privy to information that I am not.

SOME hon. MEMBERS: Oh, oh.

MR. JOLLIFFE: I am not privy---every hon. member of this House, if he knows his job, should know what I have just said.

SOME hon. MEMBERS: Hear, hear.

MR. SALSBERG: I still say I am also certain that the government will be very thankful to him for helping them out in this instance.

MR. JOLLIFFE: Well, they needed it.

SOME hon. MEMBERS: Oh, oh.

MR. SALSBERG: I would be more straightened out, Mr. Premier (Mr. Frost) if you were to add one more sentence to what you had to say about amalgamation, if you were to have said that nothing will be done without a vote having been taken of the citizens of Toronto and theadjoining municipalities.

(Take G follows)

MR. J. B. SALSBERG (St. Andrew): Mr. Speaker, I do not know whether this should be done at this present Session, or in 1951, through the amalgamation scheme. In the absence of assurance, I do not think the municipalities, the municipal boards, could decide that. I am also opposed to the Bill because I think it is high time that the entire Municipal Board Act be revised, and the position of the Municipal Board in the light of the government in this provinne be examined anew. The hon. members of the Treasury are aware of that, and the members of all the parties; it is universal. You will be doing a greater service to the province by bringing in a totally revised Bill than by bringing in this Bill at the present moment.

MR. F. O. ROBINSON (Port Arthur): I think, Mr. Speaker, we should say something on behalf of the Board. I would say that the Municipal Board, with the aid of the government is an authority preventing one municipality from gaining municipal favours not granted to another. It is of great value to the province, and we are guided by the Statutes laid down by the Legislature. It protects the taxpayers against unfair discrimination. I think it is important, and it protects the municipality against unwise expenditure. And in talking to the hon. members that came to my part of the country, I would say that they are over-worked; I would see no objection to expanding the size, so that they could do their work better. I think that they should be expanded, and not contracted, and I think that in the light of what has been said, something should be done on behalf of the Board.

MR. SALSBERG: I do not advocate the abolition of the Municipal Board. I do advocate a re-examination of it.

MR. W. L. HOUCK (Niagara Falls): I agree with the hon. member for Port Arthur (Mr. Robinson), speaking from my own experience it is true and should have been brought in

before the amalgamation was mentioned. I know the Municipal Board is doing a splendid job, and is to be complimented. Our Municipal Board is beyond reproach. The Municipal Board is overworked, and because of it, we have to wait. This Bill will do away with a lot of that, and we will get quicker and better action. I know that in Niagara Falls the Board was overworked, and at one hearing there was only one member present. I agree whole-heartedly.

MR. G. T. GORDON (Brantford): It should go further. It takes considerable time to make a report and decision, and when this goes to the Private Bills Committee, there is nothing helping them to come to a decision, and this is unfair. I feel that the previous decision should be taken in -- in some cases, the municipalities come before the Private Bills Committee and there is nothing with regard to the decisions of the previous committee. I do not think that is fair. Even the legal department of municipalities who prepared a brief did not get the time allotted, and I think that the evidence should be taken down and answered. It is more important as evidence than the Speech from the Throne.

MR. C. CALDER (London): This has been most illuminating. There is no political slant here. As a matter of fact, I share the feeling on municipal affairs with regard to the zoning.

In the submission of the Ontario Municipal Association, it was stated:

> "Under the present provisions of the Assessment Act, however, three dangers arise:
>
> (a) The Act is inconsistent when it permits an appeal direct to the Ontario Municipal Board, without

prior hearing of the case by a county judge.

(b) The Ontario Municipal Board, being partly administrative and only quasi-judicial, could possibly render a decision based on an attempt at conciliation, or on the basis of "meeting both parties half-way', instead of giving effect to the legal position of each, according to the evidence adduced.

(c) Since the Board's quasi-judicial status permits a relaxation of the rules of court procedure, the rights of municipality and property owner alike are prejudiced in the matter of an appeal against the Board's decisions. As an illustration of this point, reference may be made to an Order of the Board, No. P.F.B. -9787, dated July 21, 1949, dealing with the appeal of Odeon Theatres Ltd. against an assessment on its property at 239-243 Dundas St. in the City of London. While the Order reviews at length the items of evidence adduced and gives a decision which reduces the assessment, at no point in the Order is any reason given for the reduction, and no reference is made to any evidence which was found correct, incorrect, inadmissible, or otherwise.

The Council of the Corporation of the City of London therefore urges, respectfully, but nevertheless most strongly, that all decisions of the Ontario Municipal Board with respect to assessment matters, should be subject to an appeal to the Court of Appeal. It is also submitted that the Board should be required to so render its decisions and to record evidence that the parties to an assessment dispute may be enabled to determine the basis for the Board's decision, and thus decide whether an appeal may properly lie to the higher Court."

I suggest that we do a little bit of streamlining. It is only a question of doing a bit of streamlining, so that we could make its functions perfect. My recommendation is that we should do a bit of streamlining.

With regard to the point of assessments, and that no undertaking may be proceeded with without the approval of the Board, if any part of it is to be raised by debentures. We have to save the little man, as a matter of protection. These are all objections that come before the Board. You have to remember that you want to protect the little man, and you have to provide for putting in their sidewalks and sewers. I would like to cite a few examples.

On Giles Street, a store was wanted, and it was thirty-six days before the date of approval, and the cost of approval was fifty-four cents. The by-law was finally passed, and the total cost of the work came to $474.05.

On North Graydon Street, a walk was required, and application was made to the Ontario Municipal Board for approval on April 13th, 1948, and approved one month later, and the cost of approval was $1.25. It took one month. It is a question of speeding up the process.

Without going into the case referred to by the hon. minister (Mr. Dunbar), while the Board reviews all lengthy evidence that is adduced, there is nothing concerning any evidence uncorrect, correct, or otherwise. There is nothing personal in this, no one could be more highly regarded than the hon. minister (Mr. Dunbar). There is nothing personal against him.

When you get into the next part, you get into the bus line business, and there I have some observations. It is contended that the approval of the Ontario Municipal Board for work to be done in future years should only be necessary

where the unpaid taxes exceed fifty per cent of the total tax rate. I trust that this will be taken into consideration. When you get close to the danger mark, and pass it, you have to go on, and at that point, and only at that point, the Board should become concerned.

Some standards should be set.

(Take H.follows)

That may be the solution of the problem, not any more manpower, but less power.

MR. DUNBAR: A law for the poor and one for the rich, eh?

MR. CALDER: No, one for the rich who shall not make themselves poor.

MR. SALSBERG: All for the poor.

MR. DUNBAR: One law for all.

MR. CALDER: What we have to remember is what you choose to call the "poor municipalities" are helping to pay the costs of that Board, and enable them to do work which appears to us to be quite unnecessary. If you keep up the present basis of work the Board is engaged in approving by-laws for all kinds of municipalities financially sound, if you would get rid of all that, you would take that much of the expense of the Board off the backs of what you call the "poor municipalities". When we get the bus-lines -- and since the Bill is not going to Committee, this is the only occasion on which I can mention it -- in the first place, I suggest to the hon. Minister (Mr. Dunbar) that wherever the Board is hearing an application from a bus-line in regard to a proposed route along the boundary of two municipalities, the municipalities on each side of the boundary should be notified of the situation.

There is a situation in London, under which apparently about three quarters of the city is going to be girdled by a bus-line. That is quite proper; it just happened, the way Topsy grew; but it should not happen in the future. In the future, any bus-line making an application concerning adjoining municipalities should give both the municipalities due notice,

so that their rights can be determined at one hearing, and not later have to be dealt with, when it may be difficult to make proper adjustments.

MR. SALSBERG: Is that a privately-owned bus-line?

MR. CALDER: Yes. The problem is that the City of London, like every other flourishing city, is looking toward expansion this spring, and they will be considering the purchase of our own municipal system, or an entirely new method of transportation, and that will then enlarge the territory, and the new municipal system will go into this enlarged territory, and then you will be met with the existing right of a private operator. There is no quirk about that; it is one of those things which this legislature must consider with some foresight for the future.

While you are doing that, may I suggest that the Municipal Board consider what has to be done in regard to the London and Port Stanley Railway, and the Bluebird Bus-line, because there they get into a previously-given private bus-line franchise, and without any reason or explanation, for the first time in the history of the Board, private bus operators' franchises are invaded. You can imagine what it will be in the future if you set that precedent, and the difficulties in connection with the financing the bus operations in the future, because the franchises no longer are much good, because they are not exclusive or dependable.

When you take up the case of the line to the Lake, you must realize that in London, as any place else, they are quite prepared to accept justice; we can acknowledge facts, and can bow to reason or policies, when we know what they are, but when a decision is made with no reason at all and no appeal,

then you lay the Board open to the danger of speculation, and that should not be.

I submit as an example of how the Board should operate, as given in the latest report of the Ontario Municipal Board, dated December 31, 1948, where the Board uses nine pages of small print to set out the analysis for the decision to permit privately-owned street railway in London to increase its fares from four for a quarter to three for a quarter for adult passengers.

That may not be considered serious, Mr. Speaker, but to the man who uses the bus daily going to and from his work, it is very important, whether he gets three tickets for a quarter or four.

I am not for a moment deriding the Board for giving a nine-page judgment to settle the question because there you have the kind of decision which the Board should give, and fundamentally, Mr. Speaker, insofar as the report being judicial, it should be judicial, the Board should act like a Court; it should be known to be a court, and the way it hears witnesses and takes evidence and analyzes situations and reports judgments, they should maintain most scrupulously its status as a court, and the hon. Attorney-General (Mr. Porter) and the hon. Leader of the Opposition (Mr. Jolliffe), and every other legal man in the House will agree that it is almost a sacred performance.

The hon. Minister (Mr. Dunbar) may smile, but there is nothing odd about a man who not only regards his profession seriously, but looks upon the independence of the Bench, and they should look upon the Municipal Board with just about the same regard as they look upon the Clergy.

MR. PORTER: Mr. Speaker, in view of the fact that the hon. member (Mr. Calder) has brought some of his learned legal friends into it, may I ask what this all has to do with the Bill.

MR. SALSBERG: Give him a chance, and he will explain it to you.

MR. CALDER: Because the hon. colleague of the hon. Attorney-General (Mr. Porter) has said this Bill will not go into Committee, so we can only discuss this matter on second reading, where else can we discuss it?

MR. DUNBAR: It can be discussed section by section in Committee of the Whole.

MR. CALDER: I notice Mr. Speaker has not adjudged this yet to be out of order.

MR. DUNBAR: Is that what you forgot about the other day?

MR. SPEAKER: Order.

MR. CALDER: I am using this as an example. If the Board does not act judiciously -- and mark these words. If we did know, perhaps we would be satisfied that we received justice, but we were not given any reasons, and we were just told that the application for the city's railway is denied, and when you are dealing with an investment into which the city of London has sunk some $6,000,000., that is not the way a court should operate.

What is the background? This railway, sir, is of great importance to the cities. It has, first of all, a marked effect on keeping the freight rates down, because the transcontinental lines know that the city, for the last 94 years, has a kind of yard-stick and lever, as it is the only line to Lake Erie, especially with regard to coal.

The London and Port Stanley Railway has a moderating and salutary effect on the freight rates.

Secondly, it has a social aspect; it gives a day at the Lake to the workman and his family at a fare they can afford.

Now, the city last year came to the Ontario Municipal Board, and said, in effect, that the London and Port Stanley Railway wanted the right to conduct an auxiliary bus service. For example, you will see that the C.P.R. had one at Galt; there was one at Sudbury, as an auxiliary for the street railway line there, and at Ottawa, and between Thorold and St. Catharines, and up at the Head of the Lakes, they had an auxiliary trucking service with the C.N.R. I talked this matter over, and checked these statements with an officer of the Board, and I found that the railway company has been denied its application to introduce an auxiliary bus service, and no reason given, and no appeal, and all we say is that is not the way a court should act.

What is the background? Essentially it boils down to this; at the same time the city of London applied on behalf of itself and the Port Stanley Railway to run a bus service to the Lake at off-peak times.

(Page H-6 follows)

The city of St. Thomas said: "We want a municipal bus system, but experience has shown it cannot work, as far as it would largely apply outside the city of St. Thomas." For reasons which we did not know--

MR. SPEAKER: I am not familiar with the Bill, naturally, but I am wondering whether we are to have a case made out for the London and Port Stanley Railway or if that is but a specific instance with regard to this Bill.

I think it is perfectly all right, but I hardly think we should get into an argument in regard to the continuance or discontinuance of the London and Port Stanley Railway, when speaking on this particular Bill. To use it as an example, would be quite proper, but I do not know that going into the details of the London and Port Stanly Railway is a proper subject for discussion at this time.

MR. FARQUHAR OLIVER (Grey South): Mr. Speaker, the matter for which the hon. member for London (Mr. Calder) is discussing is in regard to the activities of this Board. In this Bill the hon. Minister (Mr. Dunbar) proposes to make very definite amendments to the existing Act, which deal with the whole matter of the activities of the Board, and for the life of me I cannot see why we are not completely in order.

MR. DUNBAR: You cannot find an amendment therewhich will change the actions of the Board.

MR. SPEAKER: The hon. member (Mr. Calder) was trying to ascertain the justification for the London and Port Stanley Railway. I think it would be proper if the Board has anything to do with the London and Port Stanley Railway, in the principles of this Bill, but the hon. member (Mr. Calder) was trying to explain the function of the London and Port Stanley Railway, which I think is outside the principles of the Bill. The hon. member (Mr. Calder) of course, is entitled to use an illustra-

tion, but to try and defend the London and Port Stanley Railway, is taking up a lot of time.

MR. CALDER: I bow to your rulling, Mr. Speaker, naturally, but I suggest that the Board in giving its judgment without giving a reason, and with no right of appeal, is laying itself open, to having the appearance of not acting like a court, and that is an appearance which the Board shouldavoid at all costs.

In discussing the principle of this Bill, I am suggesting that in connection with the P. C. V. applications, the Board should divest itself of a function which was formerly in the Department of Highways, as to whetheror not a public necessity and convenience is going to be served by these applications.

Speaking personally, I suggest thatthe Board send back to the Deprtment of Highways that function of determining whether or not the P. C. V. licenses should be granted, and instead of making two bites, as it is now doing, it should make but one.

This is very largely an administrative matter, and when you mingle administration and law, you are bound to get into trouble. In this case the Board has, in the opinion of many people of London, got itself into trouble. A court would never permit the public to make such an approach to it, and if people knew how the Board operates, it would never be permitted.

For example, reading ffom the St. Thomas Times Journal -- and I shall be very brief -- on February 17th of last year, the paper said:

> "I am reminded about St. Thomas being a railway city; but it seems to be off the beaten path, so far as Toronto is concerned".

When the Bluebird franchise was coming up, -- if this were a case which the hon. Attorney-General (Mr. Porter) was making an application to the Supreme Court of Canada, would he

lead a path to the door of the Supreme Court at Ottawa?

MR. DUNBAR: You really do not believe that, do you?

MR. CALDER: I did not write this article in the St. Thomas Times Journal, neither was it written by the City of London. Interest people in St. Thomas wrote it, and here is evidence --

MR. DUNBAR: What evidence?

MR. CALDER: In my hand.

MR. DUNBAR: Report from a paper?

MR. CALDER: They are drumming up a great delegation to come down to the Municipal Board.

MR. DUNBAR: Do you believe there was a path beaten to the door of the Municipal Board? You are simply trying to discredit one of the finest men who ever sat on any Board in the Province.

MR. CALDER: The answer to that is "nonsense". I am trying to put before this House some clippings from a St. Thomas paper, and if the hon. Minister (Mr. Dunbar) will contain himself, I shall proceed to do so.

On the first of February, they called for a district-wide support of the bus service.

On the 7th of February, the campaign continues, with a special article entitled:

> "Many people will travel special train to Toronto. Support of city's bus transportation application is growing. Personal letters are desired."

On the 11th of February, the heading is:

> "Chamber of Commerce will assist in ticket sales for special train to Toronto. Directors are checking on all members urging them to send letters in support of bus service application,

" and inviting them to join the delegation."

Then, on a day, for which I cannot find a date, we see this:

> "Hurry and get your tickets. Plan to spend a day in Toronto. Take advantage of the low rate on the'Bluebird Special', leaving St. Thomas at six a.m."

That is a good way to ask for a publicity campaign, but a judicial board would never consider anything in regard to that kind of an approach.

I am not blaming the Board for that. That is why I say "nonsense" to the hon. Minister (Mr. Dunbar), because you can see what will happen if the Board did not hear the application upon the merits, and my argument is that unless this Board establishes itself as a judicial body, people willwonder whether they are dealing with a judicial board, because that is just one of the things which is not done by a judge, or permitted to be done by a judge, and everybody knows it, but apparently it is not known yet in the Province of Ontario.

There has been no decision of the Board, so far as the City of London knows. A letter was written by the Bluebird Bus Company, but the letter has not been replied to, as far as we know.

What are the results? For the first time you have set two precedents; first, you have cut into the exclusive franchise of an operating bus-man; secondly, for the first time, the board has turned down the application of a railway to operate an auxiliary bus service, with no reason and no appeal, and, thirdly, for the first time the London and

Port Stanley, since 1935, has shown a deficit in operating account. The 1948 surplus was, I think, about $50,000., but that has been turned into a deficit in operating account last year of some $34,000.

That is important, Mr. Speaker, not only to the men who work on the railway in London, but to the Province.

MR. DUNBAR: When did the new bus-line come in? Was it not in the fall?

MR. CALDER: About September, yes.

(Page H-11 follows)

MR. DUNBAR: And all the deficit occurred after that?

MR. CALDER: After that.

MR. DUNBAR: Two months?

MR. CALDER: You must remember that competition began to get very keen.

MR. DUNBAR: The profits must not have been very great in the first ten months.

MR. PORTER: Do you publish a balance sheet every month?

MR. CALDER: They went through the recession years, 1937, 1938, and 1939, and for the first time, the deficit appears in 1949.

It seems to me, Mr. Speaker, that there is an illustration that on an issue you should get a proper decision, properly analyzed, and when you consider there is an investment here over the years, of $6. million, here you get a decision, with no analysis, and no reason. The Board has done itself less than justice, and if so, that is the kind of thing which, in the future, must be avoided.

MR. SPEAKER: I recognize the hon. member for Huron-Bruce (Mr. Hanna).

MR. J. W. HANNA (Huron-Bruce): Mr. Speaker, I wonder if the hon. member (Mr. Calder) is making a second speech for the leadership. He must consider there are a lot of Conservatives in this group over here, and I can assure you I do not think he will have much success.

MR. JOLLIFFE: What is the position of your party?

MR. SPEAKER: Let us continue with the discussion on the principle of the Bill.

MR. DUNBAR: I will be very brief, Mr. Speaker, I just want to refer to one point the hon. member for London (Mr. Calder) brought up. He mentioned one city sewer, and said it

amounted to $477.05. He did not tell you that there were fourteen applications on the same day coming in from the city of London, and were all considered at the same time. He should have told you about that, but instead of that he picks out one small one of $477. out of all these others.

He spoke about the grave delay. Applications were received on May 27th, 1948, for these fourteen different parcels of work, and on June 4th the clerk was notified that they were accepted. I think that was pretty fast work for the Municipal Board. Of course, it costs less money to bring fourteen applications in, than to simply bring in one or two or three. I suppose I cannot criticize the people of London for doing that, but in the brief they presented to the Municipal Board, they wanted to have one law for themselves, and one law for another city, because they set out their financial standing, the amount of debentures they owed, and what their yearly write-off was on those debentures.

I could take you to a little town, not as large as London, where the Board told them they were not to put any more money in their interest and sinking fund, because they could now for two years, up in Port Arthur, not assess the people one dollar for taxes, and still have sufficient in reserve to pay everything off.

(Take I follows)

What is the use of one municipality thinking they are in wonderful shape on what they borrow money for? Did they ever borrow money as cheaply as that? For 75¢ on the dollar--3/4 of 1%? Hamilton borrowed money. You willnever, in looking up the records of London, find they borrowed money for 3/4 of 1%, but they did in Hamilton.

AN hon. MEMBER: A C. C. F. mayor the last five years.

MR. DUNBAR: Go down to Brockville and find what they are doing there in financing their little town. There is no use saying we are going to have one law for London and another law for the rest of the province of Ontario.

The hon. member (Mr. Calder) mentioned about the Port Stanley Railway. I happened to be in London this day, they came to the hotel to see me and stated they would like another hearing, so I got in touch with the Municipal Board. I have nothing to do with them any more than as the old saying in the Army is, "For discipline and rations," that is all they are under me, the same as in the Army.

SOME hon. MEMBERS: Oh, oh.

MR. DUNBAR: However, if I thought there was any reason for complaint I would like to have it justified, so the Board said: "We will go up next week, we will go up on Wednesday," but they said: "We cannot see you, that isour Fair week"---too important, they could not see the Municipal Board, the work of the Municipal Board did not amount to anything compared to the Fair. It would only take an hour or so. That was the reply I w s given there and that the Municipal Board also was given. So here is what the Board said:

"BLUEBIRD COACH LINES

"There were five applications heard for the right to serve by bus the route London to St. Thomas, Port Stanley. The

only condition under which theBoard can issue a certificate is by the applicant proving necessity and convenience. The London and Port Stanley Company submitted no evidence of necessity and convenience but thought their rights should be protected because they had provided rail service for years at a loss to the citizens of London."

That was news to me, because you say they have shown a profit every year for years.

MR. CALDER: On operating account.

MR. DUNBAR: Oh. Oh, oh. That is different. Oh, that bookkeeping stuff, eh?

SOME hon. MEMBERS: Oh, oh.

MR. A. A. MacLEOD (Bellwoods): Look at the hon. Treasurer (Mr. Frost).

MR. DUNBAR:

"The applicant to prove necessity for its service by bus at the hearing to receive the Board's approval.

"There have been many cases where the above companies have been given permission to operate on roads running parallel to railroads and serving the same districts."

So there was nothing new in the decision which was given, and your city had not proved to be the applicant proving the necessity and convenience it was giving to the public.

MR. CALDER: Mr. Speaker, might I inquire of the hon. Minister (Mr. Dunbar) from what he is quoting?

MR. DUNBAR: I am reporting the particulars that the Municipal Board gave me. I knew you were preparing all this

chart.

SOME hon. MEMBERS: Oh, oh.

MR. SALSBERG: Oh, you knew it?

MR. DUNBAR: And I just wanted a few words to reply to you on what they said, that you failed in your application. "The only condition under which the Board can issue a certificate is by the applicant proving necessity and convenience." You were not the solicitor, I hope?

SOME hon. MEMBERS: Oh, oh.

MR. DUNBAR: Because if the hon. member (Mr. Calder) was, he fell down in both cases.

MR. SALSBERG: Well, was he?

MR. DUNBAR: I was going to recommend to the hon. Attorney-General (Mr. Porter) that he cancel that K. C.

SOME hon. MEMBERS: Oh, oh.

MR. SALSBERG: Has the Municipal Board got power to do that too?

SOME hon. MEMBERS: Oh, oh.

MR. DUNBAR: There is no use in discussing taking away the powers of the Board. The only power that has beengiven to the Board in my time, and I think I am fair in saying since 1932, the only extra power---you do not consider it giving them extra power when you dedide a citizen can appeal to them on the assessment, that isnot giving the Board any greater power, but it is giving the citizen more protedtion, because they could only appeal to the county judge before, so that is giving the ratepayer more protection, not giving the Board more power---there was only case of change, in 1946, where no municipal council could enter into works to be carried on unless it was to be completed in that year, without having that amount in the Estimates. That is the only change in the Municipal Board since I came in as Minister of Municipal Affairs, and I think

it was quite proper, because we learned through experience that some reckless councils would go ahead and undertake work without anything in the Estimates, leaving the following year's council to pay the debts or do the best they could, come to the Municipal Board and endeavor to borrow money and when I am stating that, that is not tieing the hands of the council any, that is not taking away any local autonomy, because they cam make a levy at any timeof the year.

(Page I-5 follows)

If they find they require more money to carry out the work, if they think it is necessary, why they can make another levy even at December 15th, and collect from the ratepayers, but they cannot at the present time, without going to the Municipal Board, contract a debt for next year's council to pay.

MR. W. DENNISON (St. David): Mr. Speaker, I would like to say just this on the Bill: I agree with the hon. Minister (Mr. Dunbar) this Bill does not give the Board any power that they did not possess before, it simply gives the chairman of the Board the right to deputize his job to other people, and that, I think, is very desirable, because one of the criticisms I heard throughout the Province of the Board is that they are slow in handing down decisions.

There have been cases, however, where the Board did, I believe, decide policy. I do not think this Board should decide policy apart from this hon. legislature. If an Act of this hon. Legislature gives a local municipality a right to do a certain thing, I do not think that Board should say: "No".

I will give the hon. Minister (Mr. Dunbar) one example of that. Back in 1943 when we had a fuel famine in this city, the city of Toronto found itself with a fuel yard next to a railroad siding where we would have been able to set up a fuel yard. We also had available space on the docks, and the council unanimously passed a Bill to set up a municipal fuel yard, and we had the right to do that under a section of the Municipal Act, I forget the number of the section at the time. We appealed to the Municipal Board for authority to set up that municipal fuel

yard, we pointed out in our application that the city of Hamilton already had a municipal fuel yard, and we felt we could save ourselves some money on our city purchases of fuel, we could also give people who were on welfare and relief and pension and so on fuel at perhaps a little cheaper price, and we pointed out that we had the authority to do this under the existing Municipal Act.

In a case like this, in an application like that, I do not think it was the job of the Municipal Board to say: "No", because in doing so they were stepping into the functions of the hon. Legislature. I think the job of the Municipal Board should have been to give us the right to do that.

MR. PORTER: To say "yes".

MR. DENNISON: And lay out the "frame-work" we will say, within which we would have the liberty to go ahead and establish that fuel yard. Therefore, with respect, I would say that I disagree very much with that decision of the Municipal Board. However, with the big majority of the decisions of the Board, I think it is providing a very splendid function in this province, and we must not forget that the Board in most respects does not dictate to the municipalities, it administers the policy that is laid down by this hon. Legislature, which is laid down by the representatives of the various municipalities and the people of this province. It is responsible to the province and we have to realize over the years that we would always have some municipalities bankrupt if it were not for the Municipal Board exercising advice and friendly help.

And we must realize too, I believe, that because of this exercise of, or this provision of assistance in the borrowing that the municipal government get from the Board, the interest rates on municipal debentures throughout this province are lower now because of the function and the job that has been done by the Municipal Board.

The hon. Minister of Municipal Affairs (Mr. Dunbar) and others may well remember the days before the Board when municipalities had to go out to borrow funds and pay up to 8% interest on municipal borrowing, and I say that it would be a very reactionary step indeed if the hon. Legislature should not provide that service to the municipalities.

I can recall one case in the city of Toronto in the old days where they borrowed $5000 for an East Riverdale Playground in the east end of Toronto, and they kept borrowing that money year after year, and after 30 or so years, they had paid out in interest more than twice the original debt and still owed the debt, Mr. Speaker.

I agree, therefore, that the Municipal Board is doing a splendid work, but I would suggest to the hon. Minister (Mr. Dunbar) that in future the Board should not interfere with acts on the statute books.

MR. DUNBAR: The Municipal Board, pardon me, did not interfere. I will explain that, although it was just before my time, as it was talked over very often afterwards.

The Municipal Board said in Toronto, since there was a municipal election close at hand: "Why not put this to a vote of the people? According to the section in the Act it only gives us the power in a case of emergency. We do not think the emergency is great enough that you should ask us to give a decision of that nature when you can ask the ratepayers to vote for it and go right ahead."

MR. FARQUHAR OLIVER (Grey South): Listening to the hon. Minister (Mr. Dunbar) this afternoon, one gathered the impression the Municipal Board is overworked. With this thought I thoroughly concur. My hon. friend (Mr. Dunbar) told the House how many decisions they had made and how many applications were pending and all that, but I suggest to the hon. Minister (Mr. Dunbar) that this Bill does nothing to correct that situation. It simply rearranges the status of the existing Board members.

We will have to do---and I am sure the hon. Minister (Mr. Dunbar) appreciates this---either one of two different things to correct the situation that he has outlined to the House this afternoon. Either we will have to use the legislation that is now on the statute books and increase the membership of the Board itself, or we will have to decrease the business that comes before the Board.

In a moment I want to say to the House, Mr. Speaker, that I agree with one point entirely at least, and I think most other points made by my hon. friend for London (Mr. Calder), but this one particularly registered on my mind, and it has to do with the application before the Municipal Board for P. C. V. licenses. I suggest, Mr. Speaker, to this House, that that is a field which doesnot properly lie before the Municipal Board. Here you have men who areoverworked, and we all agree that they are overworked, dealing with municipal problems of great magnitude, and yet they have to set aside every little while a day to hear whether John Jones should get a license to truck hogs from Timbuctoo to somewhere else or not, and they argue, not for minutes but for hours, as to the outcome of that particular petition. I suggest in all sincerity to the hon. Minister (Mr. Dunbar) that that is one place the work of this Board could be cut down. Either these applications should go

back to the place from which they came, to the Department of Highways, or there should be set up within or in close liaison with the Department another small Board that could deal effectively with those particular matters. When we are talking about the Board being overworked, let us pay attention to that. It seems to me, Mr. Speaker, that here is a field where we could cut down their work very materially.

MR. W. L. HOUCK (Niagara Falls): Mr. Speaker, may I ask the hon. Minister (Mr. Dunbar) just one question? Because of the avalanche of work which is being showered upon the shoulders of the Municipal Board, do you expect in the near future to increase the personnel of the Board?

MR. DUNBAR: Yes, we have increased it. We appointed a sixth member last week and there is another one, a seventh one, to be appointed. We are adding two members to the Board this year.

MR. HOUCK: Making it a seven-man Board?

MR. DUNBAR: Yes.

MR. C. H. TAYLOR (Temiskaming): Any Conservatives?

HON. G. H. DOUCETT (Minister of Highways): We will try to find out for you.

MR. MacLEOD: It will get the same size as the Hydro Board.

Motion agreed to; second reading of the Bill.

HON. LESLIE M. FROST (Prime Minister): Order number 43.

PREPAID HOSPITAL AND MEDICAL SERVICES

CLERK OF THE HOUSE: 43rd order, second reading of Bill number 105, "An Act respecting Prepaid Hospital and Medical Services." Mr. Porter.

HON. DANA PORTER (Attorney-General): Mr. Speaker, I move second reading of Bill number 105, "An Act respecting

Prepaid Hospital and Medical Services."

MR. L. F. K. FELL (Parkdale): Mr. Speaker, is the hon. Minister (Mr. Porter) going to say anything on the Bill?

MR. PORTER: Mr. Speaker, as I explained on the first reading of this Bill, this Act is to provide for the registration and supervision by the Department of Insurance of associations incorporated for the purpose of establishing, maintaining and operating a hospital or medical service on a non-profit prepayment basis, whereby any one or more of hospital, medical, surgical, nursing or dental services, or payment therefor may be provided to persons who become subscribers or members of such association.

Perhaps some hon. members may recall that at some former Session of this House, on one occasion this type of business came up, I think it was at the last Session of this House. There was some reference to this type of business that was being carried on by a number of organizations in the province, and my recollection is that it was suggested at that time that some scheme should be worked out for making this type of organization subject to The Department of Insurance in the same way that the insurance companies are, or that any profit-making company doing this sort of business---any company which is in the business of making a profit is under that insurance branch now, as I understand it---and this is for the purpose of taking care of a few organizations and associations that exist and which carry on a sort of insurance scheme---there may be some question as to whether it is properly called an insurance scheme, but it has certain insurance aspects, where people pay by the month or in small periodical payments for the right to have their certain types of hospital and medical bills paid when the need arises.

(Take J follows)

This Bill simply provides for the registration and control of this sort of activity, which is now being carried on, and I am also informed that the chief Associations which carry on this sort of business have been consulted with respect to the terms of this Act, and this meets with the practical necessities of the case.

MR. EAMON PARK (Dovercourt): Mr. Speaker, may I ask a question? Would the operation of this Bill in any way limit the status of the co-operative health service scheme under the co-operative section of the Companies Act?

MR. PORTER: Oh, no.

MR. PARK: None of its rights would be limited?

MR. PORTER: Oh no.

MR. JOLLIFFE: Mr. Speaker, may I just say that there are a number of points in connection with this matter which probably will be discussed best in committee. It is true that at former Sessions reference has been made -- and made more than once -- to the growth of prepaid hospitalization and insurance, and the need for some kind of supervision. Those references were made very largely to the activities of certain organizations which are, strictly speaking, profit-making organizations, and this Bill, if we are to believe the explanatory note, applies to associations incorporated for the purpose of establishing, maintaining and operating these services on a non-profit, prepaid basis --

MR. PORTER: Perhaps there may be some misapprehension as to what the present situation is. I am advised that under the law as it now stands, any profit-making enterprise of this kind is covered by the terms of the Insurance Act, and has to register under that Act. So the only type of business not covered, so I am informed, is the few organizations carrying

on as non-profit-making organizations.

MR. FROST: May I also say that a year ago there was some discussion on this, and we started an investigation into the matter of business conducted by various companies covering health insurance, hospitalization, and so forth, and we found we only could cover a portion of the field, and it was desirable we have the power to investigate the whole field, and that is the purpose of this Act.

MR. JOLLIFFE: Yes, I appreciate that, but I want to emphasize that some of the previous objections were really levied at profit-making companies, which perhaps sometimes represented themselves as being more or less co-operative or mutual in character, when they were not.

As I understand it, this Bill does not relate to those people at all; they come under the Insurance Act, and the real point of our previous objection was that under the Insurance Act, there did not seem to be adequate protection for the consumer, but that is something we may have to deal with on another occasion.

Quite apart from the profit-making companies, there have been a great many co-operative companies coming into existence, with some of them we are very much coneenred, and our concern is that they be maintained on a genuine non-profit-making basis, and should not be used as a cloak for activities which are not, in fact, co-operative.

I agree with the principle of the Bill, except in regard to one very important reservation. We do not want the legislation which can be administered in such a way as to discriminate in favour of the existing insurance companies at the expense of the co-operative organizations which have been springing up. It is quite possible, as the hon. Attorney

General (Mr. Porter) and the hon. Prime Minister (Mr. Frost) know, for insurance legislation to be administered in more ways than one, and that is something about which we must be careful when passing legislation of this kind.

Anything specific I may have to say about it, I will reserve to the Committee stage.

MR. PORTER: I think I can assure the hon. Leader of the Opposition (Mr. Jolliffe), Mr. Speaker, that there is no intention to discriminate. If the hon. Leader of the Opposition (Mr. Jolliffe) finds in any section of this Bill there may be some inference to be drawn from it which might lead to discrimination, I am sure we will give consideration to any suggestion he has to make, and I can assure the hon. Leader of the Opposition (Mr. Jolliffe) it is not the government's policy to discriminate between the insurance companies and the co-operatives, and the other types of prepaid health associations.

(Page J-4 follows)

Our purpose is simply a very broad purpose, but it is one which is very difficult sometimes to deal with, because the field becomes wider where enterprises of this kind are seeking payments from the public, under agreements to pay back money under certain circumstances, and it then becomes essential for some power of investigation and control over the reserves to be accorded, as to the manner in which they use the public's money. It would be so easy for the public to be misled into making payments and some months, or even years later, when they had a claim against the company, they might find out that there were not sufficient funds to meet the claim.

No matter how alert a purchaser under the scheme of this kind might be, he may find unless there is some public protection for the funds he puts into it, he might lose out in the long run, and the government's policy is to protect the individual who enters into this sort of scheme. That is all that is intended in regard to limiting or restricting the operations of the co-operatives.

MR. OLIVER: Did I understand the hon. Minister (Mr. Porter) to say that the associations which would be affected by the provisions of this Bill had been consulted?

MR. PORTER: Certainly some of them well known to us have been consulted.

MR. OLIVER: Have the co-operatives been consulted?

MR. PORTER: I will get that information and let the hon. member know at an early date.

MR. WILLIAM DENNISON (St. David): Mr. Speaker, would the hon. Minister (Mr. Porter) indicate two or three of the main associations which will be affected by this? For instance,

the Blue Cross --

MR. PORTER: Yes, the Blue Cross, the Associated Medical Services, and one that is set up by the physicians and surgeons -- I forget just what it is called. There are several of them, the Blue Cross, the Associated Medical Services, the Phsycians Health Benefits, one of those medical organizations. They have all been consulted. There are about 40 co-operatives in existance, and I do not know whether they have all been consulted, but we have consulted the co-operatives.

MR. JOLLIFFE: There is the Co-operative Union of Ontario, which is very much interested in this matter.

MR. PORTER: There is no doubt but what they have been consulted.

Motion agreed to; second reading of the Bill.

Hon. L. M. FROST (Prime Minister): Order No. 44

THE HIGHWAY TRAFFIC ACT

CLERK OF THE HOUSE: 44th Order; second reading of Bill No. 107, "An Act to amend The Highway Traffic Act", Mr. Doucett.

MR. FROST: I think we might hold this Bill over. We have a number of private Bills which will not take long to run through. Let us take Orders 7, 8, 9 and 10.

Bill No. 107 stands.

Hon. L. M. FROST (Prime Minister): 7th Order.

CITY OF WINDSOR

CLERK OF THE HOUSE: 7th Order, second reading of Bill No. 16, "An Act respecting the City of Windsor," Mr. Ellis.

MR. WILLIAM DENNISON:(St. David): In the absence of Mr. Ellis, I would like to move second reading of Bill No. 16,

"An Act respecting the City of Windsor."

Motion agreed to; second reading of the Bill.

Hon. L. M. FROST (Prime Minister): Order No. 8.

THE TOWN OF LEAMINGTON

CLERK OF THE HOUSE: 8th Order, second reading of Bill No. 24, "An Act respecting the Town of Leamington", Mr. Murdoch.

MR. WILLIAM MURDOCH (Essex South): Mr. Speaker, I beg to move second reading of Bill No. 24, "An Act respecting the Town of Leamington".

Motion agreed to; second reading of the Bill.

Hon. L. M. FROST (Prime Minister): 9th Order.

THE TOWN OF ALEXANDRIA

CLERK OF THE HOUSE: 9th Order, second reading of Bill No. 25, "An Act respecting the Town of Alexandria", Mr. Villeneuve.

MR. O. F. VILLENEUVE (Glengarry): Mr. Speaker, I beg to move second reading of Bill No. 25, "An Act respecting the Town of Alexandria".

Motion agreed to; second reading of the Bill.

Hon. L. M. FROST (Prime Minister): Order No. 10

THE TOWNSHIP OF NORTH YORK

CLERK OF THE HOUSE: 10th Order, second reading of Bill No. 28, "An Act respecting the Township of North York", Mr. Mackenzie.

MR. WILLIAM MURDOCH (Essex South): Mr. Speaker, in the absence of Mr. Mackenzie, I move second reading of Bill No. 28, "An Act respecting the Township of North York".

Motion agreed to; second reading of the Bill.

Hon. L. M. FROST (Prime Minister): We have several private Bills in Committee, which we might dispose of and

clear off the Order Paper.

Mr. Speaker, I move you do now leave the Chair and the House resolve itself into a Committee of the Whole.

Motion agreed to.

House in Committee; Mr. Patrick in the Chair.

(Page J-8 follows)

HON. LESLIE M. FROST (Prime Minister): Order No. 3.

THE CITY OF TORONTO

CLERK OF THE HOUSE: Third Order, House in Committee on Bill No. 17, "An Act respecting the City of Toronto", Mr. Rea.

Sections 1 to 5 inclusive, agreed to; the preamble agreed to.

Bill No. 17 reported.

HON. LESLIE M. FROST (Prime Minister): Order No. 4.

THE INCORPORATED SYNOD OF THE DIOCESE OF OTTAWA

CLERK OF THE HOUSE: Fourth Order, House in Committee on Bill No. 20, "An Act respecting the Incorporated Synod of the Diocese of Ottawa", Mr. Morrow.

Sections 1 to 3 inclusive agreed to; the preamble agreed to.

Bill No. 20 reported.

HON. LESLIE M. FROST (Prime Minister): Order No. 5.

KNOX COLLEGE LIBRARY AND CERTAIN ARCHIVES

CLERK OF THE HOUSE: Fifth Order, House in Committee on Bill No. 22, "An Act respecting Knox College Library and Certain Archives", Mr. Mackenzie.

Sections 1 to 3 inclusive, agreed to; Schedule A agreed to; the preamble agreed to.

Bill No. 22 reported.

HON. LESLIE M. FROST (Prime Minister): Order No. 6

THE TOWN OF RIVERSIDE

CLERK OF THE HOUSE: Sixth Order, The House in Committee on Bill No. 26, "An Act respecting the Town of Riverside",Mr. Murdoch.

Sections 1 to 7 inclusive agreed to.

The preamble agreed to.

Bill No. 26 reported.

HON. LESLIE M. FROST (Prime Minister): Mr. Chairman, I move the Committee do now rise and report certain Bills.

Motion agreed to.

The House resumes; Mr. Speaker in the Chair.

MR. T. L. PATRICK (Middlesex, North): Mr. Speaker, the Committee of the Whole House begs to report four Bills without amendment, and moves the adoption of the report.

Motion agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I move that the House do now adjourn. In making that motion, Mr. Speaker, I would like to make the usual motion that we meet tomorrow at 2.00 o'clock, and we will proceed with the Budget Debate. The hon. members on the opposite side will probably want to say something about the Budget, tomorrow.

After that, we will go into government orders and estimates, and I would like to sit tomorrow night on estimates and government business.

I understand on Wednesday night there is another function in town, so I have agreed there will be no night sitting on Wednesday, but on Thursday night, we will be considering the Conservation Report, and the arrangement is there will be a night sitting on Thursday night, and if the debate on that question should end, we will go into estimates again.

I would like to move, seconded by Mr. Doucett, that when this House adjourns the present sitting thereof, it stands adjourned until two of the clock to-morrow afternoon, and that Rule No. 2 of the Assembly be suspended, so far as it might apply to this motion.

MR. JOLLIFFE: Before the vote is taken on that, could

the hon. Prime Minister (Mr. Frost) indicate which estimates he proposes to call tomorrow.

MR. FROST: I had intended to go ahead with the Treasury estimates this afternoon. I thought we would take some of the smaller estimates, such as the Lieutenant-Governor, the Provincial Auditor, and the Treasury, and following that, we would take up the estimates of the Department of Education.

MR. A. A. MacLEOD (Bellwoods): I would like to ask this question, Mr. Speaker; is it the intention of the hon. Prime Minister (Mr. Frost) to follow this procedure for the balance of the Session, namely, to meet at 2.00 o'clock every day?

MR. FROST: Mr. Speaker, I think by so doing we will avoid prolonged night sittings. I think it is more desirable to do that, and I think the hon. members might be more satisfied. The fact is, rather than run into any night sessions, I am sure the hon. members would prefer to meet at one o'clock. However, we can see next week, what progress we make.

MR. MacLEOD: Just one more question which I have raised a number of times, and I think it is time to get an answer.

Just what is going to happen to all the private members' Bills and Resolutions on the Order Paper? The hon. Prime Minister (Mr. Frost) told the House the other day that he was rather disappointed that so many Bills had been introduced this year, because he had hoped there would be fewer. I would like to remind the hon. Prime Minister (Mr. Frost) that last year it was the general impression left upon the hon. members of the House that in agreeing to have the slate wiped clean, some consideration would be given in the following Session by setting aside a day each week for the consideration of private members' Bills, and I do suggest that it was because of that understanding that so many Bills were introduced.

Now, we are coming pretty close to the end of the Session; we are "on the skids" so to speak, and I think it is obvious to everybody that the government has no intention of dealing with those Bills.

I do suggest that the hon. Prime Minister (Mr. Frost) that in view of the general understanding which existed last year, instead of making the decision himself, or having the decision made for him, by himself and the hon. Leader of the Opposition (Mr. Jolliffe) and that inasmuch as there are a number of groups in the House, a better course would be to have a meeting of the representatives of the various groups to reach some general understanding on this matter, instead of ramming something down our throats which we do not like.

MR. FROST: I really did, today, get around to calling up the hon. Leader of the Opposition (Mr. Jolliffe), but he was otherwise engaged this morning, and I was not able to reach him by telephone. He telephoned me in reply, about 1.30, and at that time, Mr. Speaker, I had not had lunch, and I so told him, and the hon. Leader of the Opposition (Mr. Jolliffe) said: "By all means, go and have your lunch, and we will talk it over afterwards".

That is the way the matter stands at the moment.

Mr. Speaker, I am anxious to call these Bills -- quite frankly, I am. I have wondered myself whether we might not work out some plan whereby instead of going over all of the horrible details of having votes on these Bills, and taking up all sorts of time, we might perhaps arrange to have the sponsor of the Bill make his remarks, and then perhaps somebody from the government side, and then adjourn the matter, and go with another Bill.

Let us consider the first Bill here, Order No. 11.

I, myself, have some views in connection with that, as it touches an important principle. It occurs to me that perhaps we might work out something of that sort. It must be remembered that under our parliamentary system, the legislation usually comes from the government side. Under the American system, of course, Bills are introduced by private members in great numbers, but they are always sorted out by Committees of the House, which have very, very, arbitrary powers, but, as you know, there are certain Bills introduced into the American Congress which are never heard of again, and other Bills, apparently by arrangement and through the very complicated system of Committees, do come before the Congress, and are enacted into law. That is their system.

Our system is very different, and it is difficult to consider anything that might be in the form of an alternative program of legislation. I have often thought it would be better for the hon. members to speak on these matters on either the debate in reply to the Speech from the Throne, or the Budget debate, rather than bring them in, in their present form. However, they are here, and perhaps we can devise some method of spending a day or two in the next two and one-half weeks, and give that time to the hon. members, and let them go ahead with these matters.

I can assure my hon. friend (Mr. MacLeod) it is not a matter of giving him the"run-around" at all; it is a question of trying to battle against a great pile of legislation, which always accumulates in these Sessions.

MR. JOLLIFFE: I would to make my position clear, Mr. Speaker, because it has been suggested, and it may be in the minds of some hon. members, that an arrangement is pending between the hon. Prime Minister (Mr. Frost) and myself, about the disposition of these Bills. I would like to make two or

three things very clear. The first is, I appreciate the fact that the hon. Prime Minister's(Mr. Frost) attitude to this matter does represent an improvement over that of past years, and on that basis I shall welcome the opportunity to discuss it with him. At the same time, I must say that it is the current impression that the introduction of numerous Bills by private members is an innovation, something new or unheard of in olden times, but that impression is not really correct, and to keep the record straight, I think I should make this clear -- and the journals of this House speak for themselves -- that on March 17th, 1890, there were sixty-four private members Bills standing on the Order Paper in this House. On March 16th, 1900, there were 28 --

MR. MacLEOD: What party was in opposition then?

MR. JOLLIFFE: I Will come to that in a moment. On February 24th, 1910, there were not so many; there were seventeen introduced, one of which was introduced by Mr. Allan Studholme, intituled, "The Fair Hours Regulation Act".

In February, 1920, there were 27. On March 17th, 1930 there were 14.

(Page J-14 follows)

Actually, during the 90's there were hundreds of private members' Bills introduced in this Legislature, and a great majority of them were discussed and dealt with. One of them was a Bill to give women the right to vote, and the hon. member who moved it, actually got two other members to vote with him. That was, I think, in 1890.

Many of these Bills forecast legislation which was subsequently accepted by public opinion and by this House.

But when we get down to 1930, -- and the reason for this I do not know -- we had a new Premier and a new Opposition, so perhaps they were a little disheartened, but on March 15, 1930, there was only one private member's Bill. On February 16th, 1940, there were two; on March 16th, 1945 -- after some of us came here -- there were 17, and on March 16th, of last year, there were 22.

Now, we have not introduced as many as some of our Conservative and Liberal friends did back in the 80's and the 90's. But it is nothing new, I assure the hon. Prime Minister (Mr. Frost) after some research work, which went backto the earliest days of this House, I found that a great majority of the private members' Bills were discussed and dealt with, and some of them actually became law.

I think if it had not been for a private member's Bill, this province would not have had an official flower. I think the trillium was adopted on a Bill before this House by Mr. Clarke, when he was the hon. member for Windsor.

I want those facts to be known, because I want to dispel the idea that it is only in recent years that some of us have brought forward these Bills. While it is true, the hon. Prime Minister (Mr. Frost) says, the major legislation is

sponsored by the government, yet under our parliamentary system, private members are permitted to introduce Bills from time to time. In fact, I think it was Mr. A. B. Herbert who introduced the famous Divorce Act, which was brought forward by a private Bill.

The figures I have here show that there were 752 private members' Bills dealt with by this House in one decade, and only 17 were not dealt with.

MR. FROST: In any event, we will see what we can do to set aside a period of time this week, next week and the following week, to clear up as much as we can.

Motion agreed to.

The House adjourned at 6:15 of the clock, p.m.

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Volume 24.

P R O C E E D I N G S .

of the

SECOND SESSION OF THE TWENTY-THIRD LEGISLATURE OF THE PROVINCE OF ONTARIO, ASSEMBLED THIS TWENTY-FIRST DAY OF MARCH, A. D., ONE THOUSAND NINE HUNDRED AND FIFTY, AT TWO O'CLOCK, P. M.

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Toronto, Ontario,
Tuesday, March 21, 1950,
2.00 o'clock, p. m.

- - - - - -

2.00 O'CLOCK, P. M.

And the House having met.

PRAYERS.

MR. SPEAKER: May I draw the attention of the hon. members of the House to this announcement.

Tomorrow is the last day for the hon. members to draw any advances on their indemnity. If you are frightfully short of money, you had better make a trip towards the accountant's office by tomorrow afternoon, otherwise there will be no advance until the end of the month.

The second announcement has to do with the Budget debate. That has to do with allowing hon. members to read their speeches. I suggest that we abide by the custom during the Budget debate, that in so far as possible, our speeches shall not be read.

The third announcement is, and I am a little timid about making this.

The members' dining-room will be open for coffee in the morning from 10.30 o'clock until 11.00 o'clock, and in the afternoon until 4.00 o'clock. Please go in relays, so it will not turn out that I will have to adjourn the House. I hope that this will be approved by the hon. members. The dining-room will be open at 10.30 in the morning until 11, and in the afternoon until 4.30 o'clock.

MR. E. B. JOLLIFFE (Leader of the Opposition): Mr. Speaker, I do not wish to make any enemies over the serving of coffee or tea, when arrangements of this kind are made.

On the question of the reading of speeches, Mr. Speaker, I think that has not been abused very much in this House. There have been the odd cases where it was necessary to read a speech. There have been some speeches read, where they had to do with very technical details, and to some extent, there was the very important speech made by the hon. member for Elgin (Mr. Thomas) yesterday.

It has always been customary in this House to listen

with great interest while the hon. Treasurer(Mr. Frost)presented his Budget And to the time take up by the leaders of Opposition. I certainly agree that the rule has to be enforced, as a general rule. I mention it only to suggest that there are times when the House is quite right in permitting a certain amount of reading, because of the nature of the speech.

HON. LESLIE M. FROST (Prime Minister): I agree with the hon. Leader of the Opposition (Mr. Jolliffe). I recognize that there is a rule against hon. members reading speeches. I would say that where speeches are ordinary speeches, and slavishly read, it should apply.

On the other hand, I have a great deal of sympathy for new hon. members who are perhaps nervous, and who spent a lot of time on the preparation of their speeches. I, personally, have no objection to these hon. members following their manuscripts.

I would say this, Mr. Speaker, while agreeing with your ruling, I would suggest that it be tempered with a good deal of mercy.

MR. SPEAKER: I will say, in reply to the hon. Leader of the Opposition (Mr. Jolliffe) and in reply to the hon. Prime Minister (Mr. Frost), I recognize the importance of prepared speeches, but if we become slaves in reading all speeches on ordinary debates, there is a possibility of breaking away from the rule. I will give every possible leeway in the reading of speeches, but if it becomes a habit for every hon. member to read his speech, we will have to make some new rule.

I want to be most generous, and I wish to assure the hon. Prime Minister (Mr. Frost) and the hon. Leader of the Opposition (Mr. Jolliffe) that I will be.

MR. WM. MURDOCH (Essex South): Mr. Speaker, with regard

to the opening of the dining-room for tea, in London last week one of the Conservative hon. members fell down and broke his leg coming from having tea.

SOME hon. MEMBERS: Hear, hear.

MR. MURDOCH: I know that we have to maintain a quorum. No bell is rung, and the Whips will have to keep the hon. members in the Chamber. I would not wish any of our hon. members to fall down and break a leg.

MR. SPEAKER: Presenting Petitions.

Reading and receiving Petitions.

Presenting Reports by Committees.

Motions.

Introduction of Bills.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I have three Bills to introduce, which arise out of the Budget address.

THE LAND TRANSFER TAX ACT

Mr. Speaker, I beg leave to move, seconded by Mr. Doucett that leave be given to introduce a Bill intituled, "The Land Transfer Tax Act", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

THE HOSPITAL TAX ACT

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I beg leave to move, seconded by Mr. Doucett , that leave be given to introduce a Bill intituled, "The Hospital Tax Act", and that the same be now read a first time.

In this Bill a full explanation was given in the House last Friday, with the exception of this. The present Act deals with places of amusement. These are now separated into two groups, places of amusement and places of entertainment. The former includes entertainment and the like,

and the latter is for cabarets, night clubs, and so on.

In cabarets and night clubs, where there is extensive entertainment, our practice was to impose a tax where a cover charge is made of two dollars, and on the old basis that would be .40¢. We are changing that to place the taxation on the full amount of the Bill up to $6.60, so that the maximum tax, instead of being .40¢, will be one dollar. It might be less than .40¢. If the Bill is only $1.00, the tax would be .15¢.

Many of these places run elaborate entertainment, and we think that we have not been placing the proper tax.

Motion agreed to; first reading of the Bill.

THE ONTARIO RACING COMMISSION

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I beg to move, seconded by Mr. Doucett, that leave be given to introduce a Bill intituled, "An Act to Establish the Ontario Racing Commission", and that same be now read the first time.

Motion agreed to; first reading of the Bill.

THE LORD'S DAY ACT

HON. DANA PORTER (Attorney General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar , that leave be given to introduce a Bill intituled, "An Act to provide for certain exceptions to the Lord's Day Act (Canada)", and that same be now read the first time.

Motion agreed to; first reading of the Bill.

(Page A-6 follows)

MR.PORTER: The government has received, as has been widely intimated in the press, two requests from major municipalities, one the city of Toronto, the other the city of Windsor, for permission to have all types of sport on Sunday. Both requests were endorsed by an affirmative vote of the electorate and were supported by a resolution of the councils of the municipalities.

The question submitted to the Toronto electors and passed favourably by them, was,-

> "Are you in favour of the city of Toronto seeking legislation to make amateur, professional and other forms of commercial sport legal on Sunday?"

The question submitted to the Windsor electors and passed favourably by them, was,-

> "Are you in favor of the city of Windsor making application to the Ontario government to adopt a policy of local option in the enforcement of the Lord's Day Act, so that specified forms of sport or entertainment might be permitted locally when the local municipal council so requests?"

The matter has been given very great consideration by the government. It is recognized that in a province as vast in area as Ontario and with different conditions among the people, there are a variety of opinions on the subject of Sabbath laws. This is due to a number of reasons including the proximity of the province to states and provinces with different Sabbath laws, or different enforcement of the same. Urban conditions, radio and other things, have had their effect upon the opinion of our people.

The government is most anxious to preserve the essential features of the Sabbath Day, and believes that anything approaching a wide-open Sunday is most undesirable. The religious

aspect of the day should be regarded by everybody as being of primary importance. It is also altogether good that the day should be a day of rest as far as possible, from work. It is of course recognized that the Lord's Day Act has a long list of exemptions in the form of works of mercy and necessity, set out in some 24 subsections. In recent years, due to the complex society in which we live, there has, of necessity, been more work on Sunday than previously. The government feels, however, that this should be a minimum, having regard to all of the factors in the situation.

It will be noted, particularly in the case of the question submitted to the Toronto electorate and passed by them, favourably, that no restriction whatever was made as to time upon which sports might be conducted. The same might be at any time during the day. The Toronto question also mentions amateur, professional and other forms of commercial sport.

Under existing laws, sports may be conducted provided no admission is paid. It is quite apparent that this is the restriction which these two municipalities have petitioned, should be raised, and if it is raised, to be effective, it must cover sport generally.

Having regard to all factors involved, a Bill is introduced which is purely permissive. It strictly limits the hours and carries out the feature of local option and gives the municipalities wide powers of control. The following are the principal features,-

1. The legislation is purely permissive, subject to the following point -- it gives to the municipalities the right to have sports which they specify by by-law, between the hours of 1.30 and 6 p.m. on Sundays.

2. No municipality may authorize anu such sports unless the assent of the electors has been obtained.

3. If the assent of the electors has been obtained, the municipality must authorize any sports which are to be played and is given wide powers to regulate where they shall be played and they may further restrict the hours of 1.30 to 6 p.m. The municipality must specify the types of sport to be permitted and may permit one type of sport in one area of the city and others in another area.

4. The Bill includes all types of sports, but does not include horse racing.

The effect of the Act will be to give to the municipalities complete control of sports which may be played on Sunday, within the hours permitted by the Act. If the council of any municipality feels that any particular type of sport is undesirable, or if any sport is likely to be the cause of any annoyance to residents, the matter can be controlled by the municipal council. The principle of self-government is fully carried out and the legislation is permissive only. None of the sports referred to can be played unless the municipality expressly authorizes the same, and this after the electors have authorized the council by an affirmative vote to deal with the matter of Sunday sports under the Act.

MR. J. G. BROWN (Waterloo North): Mr. Speaker, is it the intention to give this Bill to the House? It does not appear in the Orders. I was asked just before the

House went into Session, whether this matter would come up, and I did not know. I did not know, in view of the fact that it was not contained in the Orders. I am not complaining of the explanation.

MR. SPEAKER: The point that must be considered is that the motion has been adopted. There was no objection on the part of the House when the first reading was submitted, and the first reading was carried.

MR. J. B. SALSBERG (St. Andrew): Would the city of Toronto require a new vote before they can apply this legislation in Toronto?

MR. PORTER: No. Neither Toronto nor Windsor will require any vote.

MR. A. A. MacLEOD: As I followed the explanation of the Bill by the hon. Attorney General (Mr. Porter) I notice that it is essentially the same as was in the Globe and Mail last Thursday.

MR. PORTER: I do not know about that. I have not the particular reference here. I do not read everything that is in the Globe. I may have miseed that. I can assure the hon. member (Mr. MacLeod) that if they guessed substantially right, it was not because of anything I told them.

MR. H. C. NIXON (Brant): Mr. Speaker, has this House the jursidiction to interfer with the application of a Federal statute?

MR. PORTER: It might be useful to explain how that power arises. I am referring to the Lord's Day Act. I might refer to the origin of this legislation.

At one time prior to Confederation, there was a pre-Confederation statute dealing with the Lord's Day observance, and after consideration, some attempt was made by the Legislature of Ontario to introduce that Act into the revised statutes, to deal with that legislation.

The question came up as to whether the province had the power to introduce legislation governing Lord's Day observance

in its broad aspects. In view of the question raised, the Parliament of Canada brought in the Lord's Day Act of 1906. In that Act, there is an introduction, and it refers to a provincial Act, and it defines "provincial Act" to mean "any public Act of any province, whether passed before or since Confederation."

In section 6, the section dealing with entertainment and sports, it provides as follows:

> "It shall not be lawful for any person, on the Lord's Day, except as provided in any provincial Act or law now or hereafter in force, to engage in any public game or contest for gain, or for any prize or reward, or to be present thereat, or to provide, engage in, or be present at, any such performance or public meeting elsewhere than in a church, at which any fee is charged, directly or indirectly, either for admission to such performance or meeting, or to any place within which the same is provided, or for any services or privileges thereat."

A similar provision is introduced into other sections of the Act.

It might be interesting to recall when this Act was being considered in 1906, in Canada, the question was raised as to how it would apply generally to the different areas of the country in matters of this kind, and where there might be cause for certain relaxations in various ways. For that reason, this explanation was inserted in the Act at that time. The prime importance was to make certain exceptions within the limits of the provisions.

In addition to that, when the Bill reached the Senate, a change was recommended whereby no province might be brought under this Act except with the consent of the Attorney General

of that province.

It is a somewhat embarrassing situation to deal with, especially in the summer months.

(Take B follows)

And it may be of interest to the hon. members to know that during the last summer season, when a great deal of commercial amusements are in operation in different places, in different tourists resorts of one kind and another, in order to bring some regularity to the practice in the hon. Attorney General's Department, a memorandum was prepared with instructions to crown attorneys throughout the province, and to municipal councils in which a clear line was drawn as between the things which could be done and would be considered quite properly done, in view of the provisions of this Act, and the sort of things which would be regarded as offences against the Act, and for which consents to prosecute would be given.

I think the experience following the issuance of that memorandum last summer was very satisfactory, because the department and myself took the position in all cases where there were any offences under the Act, which were clearly stated to be those which would be prosecuted by the memorandum issued, consents were given in every case; there were no exceptions made.

And the people involved in these activities and amusements throughout the province know where they stand. So, in looking at this Act as a whole, it is clearly intended that there should not be entirely a rigid expression of any set method of observance of the Lord's Day. In spirit this Act was intended to preserve, as far as humanly possible, the sanctity of the Sabbath, and that is something with which the hon. members of this government heartily agree; at the same time, it provides one day off from work for the vast majority of people, except those engaged in certain duties or activities which were considered of reasonable necessity.

That was the main principle behind this Act, and in order to provide the necessary flexibility, it was considered

essential at that time that the section be placed in these provisions whereby, by a provincial Act, an exemption could be made, and it is under the power that is given us there, that we have introduced this Bill, and that is the basis upon which we have proceeded.

MR. C. H. MILLARD (York West): Mr. Speaker, I would like to enquire of the hon. Minister (Mr. Porter) in regard to one matter. It has been noted in the explanation that Toronto and Windsor are to be exempt from the necessity of another vote. Are we to assume that the voting provisions of the Act will be on the same restricted or limited basis of the votes which were taken?

MR. PORTER: Yes, Mr. Speaker. The vote to be taken under the Act will be the vote of the electors.

MR. MILLARD: You mean the municipal electors?

MR. PORTER: The municipal electors. The reason for that is this: we are not providing for any special majority vote; it is just a vote of the electors, a plain majority is all that is necessary for the introduction of the Sunday Sports by-law, and also, on the other hand, for repeal. We felt if we varied from that at all, we might find that a by-law would be passed and a vote would be taken, and perhaps some three-fifths or sixty per cent majority were in favour of it, and if it did not work out very satisfactorily, it might be very difficult to get a sixty per cent or three-fifths majority for its repeal, and we thought that an ordinary majority municipal vote -- and I will come to a further explanation of why we did that in a moment -- in other words, a straight majority would give greater protection to the people who wished to uphold, as far as possible, the Lord's Day observance, and if the people who are interested in Sunday sports knew that

by a simple majority vote they might be deprived of that privilege, if they did not behave themselves properly, it would be a salutary thing. We thought that these things should be carried on under the scrutiny of a simple majority vote.

The other question was whether this should be a vote of municipal electors, or on a provincial basis. Now, the by-law which has to be passed for Sunday sports, so called, if introduced by any municipal council, has to be passed and administered by the people who are elected under the municipal franchise. After all, the municipal franchise today covers the vast majority of our people who live in the centres --

MR. R. SCOTT (Beaches): 40 percent.

MR. PORTER: No, it is more than that. To a very large extent many of the people -- after all, the home-owners have the franchise, their wives have it and tenants, with a very low property assessment minimum. Roomers, of course, have not the municipal franchise. In many cases, roomers are not permanent residents of a municipality, but are only there for some particular purpose.

MR. MILLARD: They are the ones who are supposed to want Sunday sports.

MR. PORTER: I do not know that I should be arguing this at this stage --

MR.SPEAKER: I think the explanation should be given on first reading, and I am sure there will be ample opportunity for questions and debate on second reading. We are getting into the second reading stage now.

I will be glad to allow the hon. Minister (Mr. Porter) to continue, if he wishes to make a further short explanation, but I would suggest that the questions be held over until the second reading, or we will have all of this to go over again.

MR. PORTER: I entirely agree with you, Mr. Speaker. I felt I was arguing quite beyond what was proper on first reading.

THE K.V.P. COMPANY LIMITED

Hon. DANA PORTER (Attorney-General): Mr. Speaker, I move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act respecting the K.V.P. Company Limited", and that same be now read for the first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker --

MR. SPEAKER: There will be no applause from the gallery, please.

MR. PORTER: This Bill arises from an action which was brought in the courts of this Province, commenced about two years ago. It was an action brought by certain people property owners on the banks of the Spanish River in northern Ontario, who complained that the K.V.P. Company, which carries on a paper manufacturing enterprise in the Town of Espanola, was polluting the waters of the river as it passed their property.

Following the common law, as it applies to situations of this kind, the court decided that the river was being polluted, and that the plaintiffs were entitled to damages which they had suffered up to the date of the trial, and it also decided they were entitled to an injunction against the company to prevent, for all time, the pollution of the river as it then was.

In the last Session of the Legislature an Act was passed amending the Lakes and Rivers Improvement Act, and it was intended by that Act to provide in cases of this kind

where there were some major industrial enterprises functioning in certain communities, that where ordinarily an injunction might be granted, nevertheless, the whole situation should be weighed by the courts, and if it were shown essential for the industry to continue for the welfare of the community, then damages could be awarded in lieu of an injunction, under those circumstances.

As it happened, in that Act, provision was made to apply it not only to future cases, but to any other pending actions of that kind. However, the matter at that time was subject to appeal to the Supreme Court of Canada, and by a judgment of that court, it was decided that the Supreme Court of Canada had no jurisdiction under the Act, setting it out to give effect to this Act of the Legislature, which was passed last Session.

Therefore, the injunction has been continued.

This government has received deputations from a very wide group of people living in Espanola, and the districts surrounding. They have come down here, representing the merchants, the labour unions; they even represent some people who have engaged in political activities against this government --

SOME hon. MEMBERS: Hear, hear.

MR. MacLEOD: Who were they?

MR. PORTER: And also representatives of the churches and of the guides, many of whom are Indians in that country.

They approached this government and said if this injunction was to continue and the K.V.P. plant was to shut down, employment of people in Espanola would come to an end, and Espanola would be put in the position of a ghost town.

As a result of those representations, various conferences were held with people interested in this litigation as well as with the company, and it was the view of the government no matter how necessary an industrial operation may be, nevertheless it is the responsibility of the company to do its utmost to exercise every precaution that is known to science to minimize, as far as possible, any pollution of a river or any damage to adjoining property. We felt that something must be done to preserve the living for those people who reside in Espanola, and the plant must be allowed to continue.

On the other hand, we also decided that special steps must be taken to make sure, from time to time, that pollution is kept to a minimum in that river. The government, therefore, referred to the Research Council of Ontario the duty of examining the situation in that river, with the broadest power to bring in any kind of experts which they felt would be of use to them, to examine what is done in other countries, and to make recommendations as to methods which might be adopted to improve the situation.

To a great extent, the company, it has been said, has introduced various methods of reducing pollution, and that the pollution is less than it was sometime ago. We are just not interested in preserving the quality of the water in the river as far as it is possible, as we are in preserving the means of employment for these people. Therefore, this Bill, in the first place, dissolves the injunction; in the second place it preserves any right the plaintiffs in this action or any pending action may have for damages from the date of the trial to the present, or continuing damages in the future.

The question was raised and discussed as to whether rather than being given the right to proceed with future cases to establish their claim for damages from time to time, if they still suffered them, they would prefer to have some arbitration procedure provided. Although no arbitration provision is mentioned in this Bill, I assure the hon.. members of the House if representations are made to me before this Bill gets through the Committee stage and requests are made to me for arbitration, we will certainly consider an amendment at that stage, if they want it, rather than the right to proceed in the courts from time to time.

Finally, the Act provides that the Research Council shall endeavour to develop methods for the lessening and minimizing of the pollution.

THE HIGHWAY IMPROVEMENT ACT

MR. G. H. DOUCETT (Minister of Highways): Mr. Speaker, moved by myself, seconded by Mr. Frost, that leave be given to introduce a Bill intituled, "An Act to amend The Highway Improvement Act", and that same be now read for the first time.

Motion agreed to; first reading of the Bill.

MR. DOUCETT: Mr. Speaker, there are several amendments in this Bill. In One, we are repealing the section of maintenance and repair, as we think it need not to be left in the Act, due to the change in our subsidies, and we are repealing the snow road and fences section, as there is a snow road and fences Act which is overlapping.

There is a provision which permits the Lieutenant-Governor in Council to make regulations fixing the distance

from the King's Highways, at which fences and buildings can be erected and altered, and at which hedges and trees and so forth may be planted, and that repeals the section, which is covered in section 79(b) of section 80.

There are a few other minor amendments, just to clarify it and make it more simple.

THE CONSERVATION AUTHORITIES ACT

Hon. DANA PORTER (Attorney-General): Mr. Speaker, in the absence of Mr. Griesinger, I move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend The Conservation Authorities Act, 1946", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, this Act, I am informed, is in line with some of the recommendations of the Conservation Committee and provides for an amendment which will permit an authority to borrow money pending the receipt of any grant or payment of municipal contributions which are collected by taxes.

It also provides that where only a part of the municipality lies in the area over which the authority has jurisdiction, the sums apportioned against that municipality will be chargeable only on that part, rather than on the whole municipality, as heretofore required by the Act.

Also, the new subsection 5 added to section 34 authorizes, in cases where the major part of the benefit from a specific work accrues to a limited area of the municipality, the council to impose a special rate on the area benefitted to pay for a certain percentage of the municipality's share of the capital cost of the work, and the balance by way of a special rate on the remaining part of the municipality within the watershed.

THE PLANNING ACT

Hon. DANA PORTER (Attorney-General): Mr.Speaker, in the absence of Mr. Griesinger, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled "An Act to amend The Planning Act, 1946", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, this Bill largely consists of certain minor amendments covering the powers of the Minister with respect to planning areas, to include unorganized territories adjoining any municipality included in the area.

Section 12 of the Act is strengthened by making it clear that a by-law that is passed after an official plan takes effect and that does not conform with the official plan is void. Subsection 2 will permit the Minister to approve by-laws that strictly speaking maybe considered not to conform with the official plan but which in the opinion of the Minister do conform with the general intent and purpose of the plan. This will avoid the necessity of applications to amend the official plan to permit minor deviations that do not affect the broad purpose of the plan.

(Page B-9-A follows)

Section 3, subsection 1. The requirements as to what must be indicated on a draft plan of subdivision are extended to include existing highways on which the proposed subdivision abuts and all lands in which the applicant has an interest that are adjacent to the proposed subdivision.

Subsection 2. The amendment to subsection 4-a authorizes the Minister, as a condition to the approval of a subdivision plan, to require that, where the subdivision abuts on the King's Highway, land shall be dedicated sufficient to provide for the widening thereof to a width of not more than fifty feet from the centre line.

Subsection 3. The re-enactment of subsection 8 of section 25 ensures that the Minister will receive a copy of the plan as registered showing the number anddate of the plan. Heretofore the person registering the plan was required to forward copies to the Minister, but they did not necessarily contain that information.

(Page B-10 follows)

THE FIRE DEPARTMENTS ACT

Hon. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend The Fire Departments Act, 1949", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, the first section of this Bill repeals certain subsections which give the Lieutenant-Governor in Council authority to withhold provincial grants where the municipality failed to provide funds required under a collective agreement, decision or award.

Section 2, subsection 1. The approval of the superintendent of insurance is no longer necessary. See note to subsection 1 of section 3 of this Bill.

Subsection 2. Cost of the normal operation and maintenance of fire department premises are added to fire department costs eligible for grants.

Section 3, subsection 1. The former provision respecting pension plans did not meet the needs of all municipalities. The new clause is more flexible.

Subsection 2. This subsection provided for claims in 1949. It is now spent and so is repealed.

Sections 4, 5 and 6. Sections 14 and 16 are reworded in new sections 14, 15 and 16 to provide for the payment of grants through the Department of Municipal Affairs. Otherwise the principles are unchanged.

Section 15 provided for the payment of grants after the 1st day of November in each year. Its repeal allows payment any time after the municipal statement of costs is certified.

THE POLICE ACT

Hon. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend The Police Act,1949", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, this amendment is parallel to the amendment that has been introduced as regards the Fire Departments Act, and it covers the same points, as it affects the Police Act.

(Page B-11 follows)

MR. MILLARD: Is that under Municipal Affairs, now, too?

MR. PORTER: Yes.

THE INVESTMENT CONTRACTS ACT

Hon. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend The Investment Contracts Act, 1948", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, the main intention of this Bill is to provide that investment contract companies, of which at the present time there is only one carrying on business in a large way in Ontario, but there are others who might wish to do so, the powers of investment to be limited to investments authorized under the laws of the province of Ontario for joint stock insurance companies, and for companies registered in Canada and British Insurance Companies Act, of Canada.

The investment contract type of business is one whereby people pay in so much a month, and at the end of a specified time they are entitled to a lump sum. Contracts of that kind may vary in terms and amounts, but like all businesses of that kind, some supervision is essential when they deal in a large way with public monies, and this Bill has been prepared, in consultation with the companies doing that sort of business.

THE CONTINUATION SCHOOLS ACT

Hon. DANA PORTER (Minister of Education): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend The Continuation Schools Act", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, this Act is designed to cover certain situations which have arisen, where the composition of the continuation school boards where some but not all the school sections by which the school was established are absorbed into a township school area and one of those not absorbed is the section in which the school is situated.

The new subsections 17 and 18 provide that the distribution of costs of maintenance of the school will vary according to whether the board is constituted under subsection 14 or 15.

Section 2. The repealed section 6 provided for agreements for support of continuation schools by adjoining municipalities and is no longer applicable or necessary in view of recent changes in the definitions of county and resident pupils.

Section 3. This amendment ensures that, where the boundaries of a high school district and of a continuation school district overlap, the residents of the part of the latter district included in the former district will not be assessed twice for secondary school education.

Section 4. The repealed section 7(a) provided for cases where a pupil was both a county and a resident pupil, and such cases no longer exist under the present definitions.

I understand the hon. member for Brant (Mr. Nison) is aware of the provisions of this Bill, and I hope he is entirely satisfied.

MR. A. A. MacLEOD (Bellwoods): Mr. Speaker, would the hon. Minister (Mr. Porter) like to have a cup of tea now?

MR. PORTER: Do I sound as hoarse as all that?

THE REGISTRY ACT

Hon. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill, intituled, "An Act to amend The Registry Act 1950", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, the first section of this Bill provides for cases where judges' plans are made covering the area of land where title has become somewhat confused. Under the present legislation, the Crown may contribute to the cost of both plans, if the area consists of 5,000 acres or more. We are removing the description of "5,000 acres", because there are many cases where this Act should apply, which are less than 5,000 acres.

There is also provision to bring The Registry Act in line with certain provisions of The Planning Act. There is the raising of the registration fee on instruments from $2.50 to $3.00.

The basic amount which a registrar who is paid on fees may retain from the net income of his office is raised from $3,500. to $4,000.

THE LEGITIMATION ACT

Hon. DANA PORTER (Attorney-General): Mr. Speaker, I beg to move, seconded by Mr. Dunbar, that leave be given to introduce a Bill intituled, "An Act to amend The Legitimation Act", and that same be now read a first time.

Motion agreed to; first reading of the Bill.

MR. PORTER: Mr. Speaker, this Bill provides for an amendment of the present section 5 of this Act, which provides that where a person marries presuming that the former spouse presumed to be dead is later found to be alive, the children

of such marriage in the case of the intestacy of the father or mother, inherit the estate equally with lawful children. The section as re-enacted also includes children of a marriage entered into after an order of presumption of death of a former spouse has been obtained from a judge pursuant to section 11 of The Marriage Act, 1950, and provides that the children of all such marriages shall be the legitimate children of the persons entering into such marriages, for all purposes.

MR. SPEAKER: Orders of the Day.

Hon. L. M. FROST (Prime Minister): Mr. Speaker, before the Orders of the Day, I would like to table answers to questions 43, 44 and 75.

MR. SPEAKER: Orders of the Day.

Hon. L. M. FROST (Prime Minister): Order No. 7.

BUDGET DEBATE

CLERK OF THE HOUSE: 7th order, "Resuming the adjourned debate on the motion, that Mr. Speaker do now leave the Chair, and that the House resolve itself into the Committee of Supply", Mr. Frost.

(Page B-15 follows)

MR. LESLIE E. WISMER (Riverdale):Mr. Speaker, I would like to preface my remarks today with a word of congratulation to the hon. Prime Minister (Mr.Frost) on his elevation to that High Office and also to wish him well in his role of Leader of the Conservative Party.

I would like to congratulate him as the hon. Provincial Treasurer on the able way in which he presented his Budget.

During the course of his remarks the hon. Minister (Mr. Frost) referred to his dual capacity as Prime Minister and Provincial Treasurer in those words:

> "When I am in the Prime Minister's Office I feel like Dr. Jekyll".

I may say that it is a more or less pleasant task for most members of the House to discuss the activities of Dr. Jekyll, but, the hon. Minister also stated that, "When he was in the Office of Provincial Treasurer he is really Mr. Hyde"--It is my dismal duty to discuss the activities of "Mr. Hyde".

When introducing his Budget on Friday last, the hon. Provincial Treasurer (Mr. Frost) began with these words:

> "This is the eighth occasion on which I have had the honour as Treasurer of this great Province of Ontario in moving the historic motion that you do now leave the Chair and the House resolve itself into a committee of supply".

When I heard him say that this was the eighth time I felt certain that he was in error for I was of the opinion that this was only the seventh Budget the hon. Minister (Mr. Frost) had introduced. I have since verified this and found that while this is the seventh Budget it is, as well, also the eighth time on which he has moved the motion to "resolve the House into a committee of supply." This discrepancy however

is not surprising for we have all seen on more than one occasion Tory motions miscarry.

It will thus be necessary for the hon. Minister (Mr. Frost) to introduce at least two more Budgets before he can equal the record of Nine Budget addresses set by the Hon. Richard Harcourt in the years 1890-8.

In those years, Mr. Speaker another very important record was rung up private members' Bills have always been introduced into this House. But in the years 1890-98, there were no fewer than 752 private members' Bills presented. What is even more significant especially in view of what happened last year, and the arguments recently and more germane to the point is that the vast majority of those privat members' Bills was considered by the House. (only 17 of the great total of 752 did not reach second reading.)

Now Mr. Speaker, I would like to draw the attention of the hon. members to other discrepancies in the figures as presented by the hon. Provincial Treasurer (Mr. Frost) and I might begin this portion of my analysis by suggesting that he is a very gloomy forecaster. When he presented his 6th Budget to this house on the 4th of March 1949, he forecast a total Gasoline Tax Revenue of $52,500,000. Last Friday he tabled an interim statement of ordinary revenue which showed gasoline tax revenue of $57,600,000, an increase of $5,100,000 over his estimate.

His forecast on revenue from the sale of liquor was $32,000,000, but his statement of actual revenue was $37,500,000 an increase of $5,500,000. His forecast on revenue from taxes on corporation profits was $56,500,000 yet his report to the house on Friday showed the revenue was $65,000,000, an increase of $8,500,000. These three amounts total $160,000,000 out of total net revenue reported of $224,000,000, or over 70 percent.

The total difference between forecast and actual results is $19,000,000 or an error of 12 percent. He forecasts so inaccurately one can only suppose that the hon. Provincial-Treasurer (Mr. Frost) was either very gloomy or very careless. So much for the revenue side!

Now look at the expenditure side. The same wide discrepancies appear between the forecast and the actual results. I would like to remind the hon. members that these expenditures were authorized by votes of this house following consideration of estimates. I will not go into all the details and simply deal with the total. This house empowered this government at the last session to make ordinary expenditures of $207,865,754. And now we are confronted with the facts of what has been happening since we last met and we find that the government has spent $223,029,800. In other words the government took it upon itself.....

(Take C-1 follows)

without authorization from this Legislature to over-spend the taxpayers money by approximately $16,000,000. However, the Minister announced a surplus of $1,004,000. Mr. Speaker, that does not indicate the real position. A year ago I stood in my place and pointed out to the members that the surplus then announced at $1,132,000 was actually in error and I pointed out that the true surplus was approximately $21,000,000. Quite frankly, Mr.Speaker, I did not expect to find a recurrence of this sort of thing, but again today it is my unhappy task to point out to the hon. members that the surplus on Ordinary Account is not $1,004,000 as announced, but it is $24,735,800. I would like to remind the Minister and recall to the hon. members that the budget last year forecast a surplus of only $157,546.

What is the effect of all this? Due to the clumsy and careless forecasting of revenues and the government's determination to tax Old Man Ontario in relation to such forecasts, that is Dr. Jekyll's friend, but not Mr. Hyde's, Old Man Ontario has been overtaxed to the extent of nearly $20,000,000. The Provincial Treasurer of course did not want to admit this openly, so again he attempted to conceal this great surplus.

In order to get rid of some of this money he allowed the Minister of Highways to proceed with additional works amounting to $8,732,000--I would like to make my position very clear that I am not opposed to this additional expenditure on Highways particularly since our highways require improving and even more particularly because this expenditure was made in a period in which unemployment was on the increase, --the point I would like to make is that it would have been a good deal more honest if the Provincial-Treasurer had reported to this House this increase in Highway expenses after admitting the surplus. However, having spent $8,000,000 on Highways he

still had an indicated surplus on his hands of $16,000,000, and the question was, what should he do with it? Since his report indicates that he did not wish to disclose the fact, he decided to place this money in the sinking fund. I would like to remind the hon. members that about this time last year we gave authority to the Minister to set aside $5,550,000 in the sinking fund. We gave no authority whatsoever to place an additional $15,000,000 in this fund.

(Page C-3 follows)

Having succeeded in over-taxing the public to this extent and having built up an Interim surplus of $24,000,000 an alternative to placing it in the Sinking Fund was nevertheless present. He could have increased expenditures on Public Works to assist the unemployed. I give him credit, he did do something by the $8,000,000 he spent on Highways. He still had $16,000,000 left, what could he have done with that? I would like to suggest that considering the number of unemployed in the Province of Ontario, and that this has gradually developed from early last Autumn and will continue at least until well into the Spring, that being unable to create jobs or Public Works, this government had the responsibility to provide Cash Relief where necessary. Many of these Unemployed are receiving Unemployment Insurance but many others - though a smaller proportion - are not receiving such assitance. How much cash relief it would take on an average weekly payment equal to unemployment Insurance benefits is not easily calculated. Certainly it is fair to say that it would not amount to more than $1,000,000 a month. For these months the maximum the Government would have had to face was then not more than $6,000,000. The point I am making, Mr. Speaker, is that the $16,000,000 surplus which the government had no idea how to use- and which in itself was embarrassing, could have been used in part for the payment of cash relief.

If this had been done persons and families now without incomes would have had money to pay Grocery bills, Rent, Doctor and Hospital bills. Our economy would have continued in a sounder condition. But the Government decided not to enter upon this policy, and that that was a clear cut decision, however callous,

is all too obviously indicated in this statement by the Minister of Welfare when he stated:

> "Regret learning unemployment conditions at Lakehead. Suggest you consult with representatives of government of Canada, department of labor. Suggest department has all necessary machinery to place all unemployed persons any place in Canada where work available. Unemployment insureance offices with Dominion Funds in best position to grant assistance to those not qualifying for insurance benefits. Government of Canada has much wider source of revenue to provide assistance to unemployed employable persons. Provinces and municipalities highly restricted in treating problem.
>
> Signed Hon. W.A. Goodfellow."

This was a telegram sent to the Canadian Legion at the Lakehead as reprinted in the Fort William Daily Times Journal of Jan. 21/50.

The hon. Provincial Treasurer (Mr.Frost) was quick to agree with the hon. Member for West York (Mr. Millard) when he said that we should do something about investing in human resources; but the Treasurer's actions do not match his fine phrases. Instead of giving assistance to unemployed persons the Provincial Treasurer placed the money in the sinking fund, suggesting that this would continue to keep the credit of the Province high. Whatever may be said about the credit of the province, this action was unnecessary and it amounts to nothing more or less, Mr.Speaker, than giving cash relief to coupon clippers.

We in this group have been urging the Government to make arrangements whereby the full responsibility for unemployment

relief be placed on the federal government. At the same time it is becoming more and more obvious that the responsibility for welfare must be lifted from the municipalities. This government, whatever it may say, has stood as an adamant obstacle to any such realignment of responsibilities. The direct relief which is given to unemployables is now paid for on a 50-50 basis as between the municipalities and the province. I urge you again to lift this responsibility entirely from the municipalities and make it a wholly provincial matter.

In the matter of responsibility for the employable unemployed I would like to remind hon. members that in 1945 the Dominion Government offered to accept that responsibility as part of a broad agreement, and this government turned the offer down. Though since 1943 there have been three governments in this province, there has been during the same period just one Provincial Treasurer, He is now stating at every opportunity that he is prepared to be very friendly with the government at Ottawa, and to make whatever arrangements are necessary and advisable for the better administration of public affairs. This is a rather sudden shift in position. Even up to one year ago he was opposed to taking this position, and I must remind him that the failure of the Conference in 1945 was the prime reason for the present lack of any clear division of responsibility in welfare matters.

It is not possible for him to have the best of two worlds. If he is right now, and I believe he is--in fact, the position he is taking now is the position we have taken throughout--- then the position taken previously was wrong. However, Mr. Speaker I am aware that he was not the sole author of that policy. I am not so asking him to admit that he was wrong, but only that he was misled.

What we have been asking, and what I believe I see now

developing in the mind of the Treasurer and the Government, is that there must be a clear division of responsibility as between the federal and the provincial government, and it follows that any such division of responsibility must be accompanied by a clear division of available revenue sources. It is idle to suggest that at the Dominion-Provincial Conference to be convened next September arrangements can be made in regard to responsibilities without arrangements being made with regard to revenue sources.

I make bold to say, Mr. Speaker, that this Government will make such an arrangment with the federal government later this year, and as a result of that we shall all be better off. However, I must point this out: it has taken five years for the hon. Provincial Treasurer (Mr. Frost) to get around to this, and the public and the taxpayers in the Province of Ontario have suffered severe losses as a result.

In 1945 the Dominion Government offered to take full responsibility for assistance to the employable unemployed. The men sleeping on the floor at the Fred Victor Mission know how much they have lost because that offer was turned down.

In 1945 the Dominion Government offered to take full responsibility for old age pensions for everyone over 70 without a means test, and to share the cost of pensions with a means test from age 65 to 70. Every old age pensioner and everyone over age 70 who is denied a pension today knows what has been lost because that offer was rejected.

In 1945 the Dominion Government offered to pay sixty percent of the cost of a comprehensive health insurance program. I do not think the plan they outlined was the best health program in the world--not nearly as effective as the program now in force in Great Britain--but it would have provided

a good start for health insurance. Every Ontario family that has had a doctor's bill or a hospital bill to pay in the past five years has lost because you turned that offer down.

The hon. Provincial Treasurer (Mr. Frost) suggests that not only should a conference be called between the federal and provincial governments, but that such conferences should be convened frequently. I would remind him that the normal period between parliamentary elections is four to five years, and although they have been rather more frequent in this Province of late, that has been the normal period here as well. I am of the opinion that this Government will remain in office as long as possible. The periods of elections in the provinces as well as federally thus being four to five years, the frequency of conferences should be established in this relationship.

This is only one half of the story, however, There is another level of government.

The issues claiming the attention of the federal parliament are great, but no more serious than those claiming the attention of this provincial parliament, and none of these are more serious than the issues claiming the attention of our municipal councils. I would like to remind hon. members Mr. Speaker, that it was back in 1947 that the then hon. member for Fort William (Cox) placed a resolution on the Order Paper asking for the calling of a municipal-provincial conference to discuss the issues then concerning all municipalities. The government of the day turned down that suggestion. But in the speech from the Throne in 1948 the Government did forecast the calling of a provincial-municipal conference. What occurred later in that year could hardly be termed a conference, for it amounted to little more than a two-day cocktail party.

Again, in 1949, there was continued pressure from the municipalities themselves, fromthe associations of municipal representatives, and from this Oppositiongroup, for a real conference, but nothing was done.

In this current year what do we find? The municipalities and such organizations as the Association of Mayors and Reeves are still asking that this Government summon a provincial-municipal conference. Not only do we need an immediate summoning of the first provincial-municipal conference, but we need frequent conferences to deal with specific matters, and to work out a division of responsibility as between the province and the municipalities. I would like to go further and say when we consider the frequency of such conferences that most municipal councils are elected annually.

The need for the summoning of a conference which would work out a clear division of responsibility as between the municipalities and the province is now urgent. In fact, it is long past due.

Let me remind the House that the decision of this government to increase the grants for education was taken as a means to reduce the amount of taxation of real estate. This has not been the result, although today we are faced with a bill for such grants in excess of 40 million dollars. In spite of that vast drain upon the financial resources of the province, taxation oh real estate is today higher than it was in 1943. According to the official figures published by the Department of Municipal Affairs, the total municipal tax levy for general purposes and debt charges in 1943 was $49,789,576. By 1945 this figure had climbed to $66,685,099 and in the year 1948 it had reached $94,697,752. In spite of a total of grants according to the budget report of approximately 70 millions paid from the provincial treasury, real estate

taxes are still going up.

Mr. Speaker, whatever good there may be in the making of grants bythe government, its prime objective, that of reducing taxation on real estate, has not been reached. In fact, it begins to appear that the grants policy has a tendency not to decrease taxation of real estate, but to increase it.

When this government took office in 1943 the province was making relatively small grants for education, and as well relatively small grants tothe municipalities in the form of a one mill subsidy.

Today, in addition to making grants for education amounting to five times the 1943 figure in dollars, we are making grants to municipalities for other purposes: highways, police departments, fire departments, direct relief, hospitals. The obvious effect of that has not been to reduce real estate taxation, but to develop a most unhappy situation in which this government is found meddling in all of the affairs of municipalities.

However serious the effect of the meddling, an even more serious development has resulted from this policy of multitudinous grants. Insecurity is now the watchword in the minds and affairs of every municipal council. It isnot possible any more for any municipal council to plan ahead, for no municipal council can know what the grants are going to be from one year to the next. They do not know whether the grants are going up or coming down, and the situation is becoming more complicated and more muddled every day.

Soon after we met in this Session we were told by the hon. Attorney-General (Mr. Porter) as Minister of Education about the new grants policy for Education, and he stated that the total grants for education this year would be about five million dollars more than last. Now what do we find in municipality after municipality? The grants are actually down and most particularly

are they down on vocational schools.

I notice that it is becoming increasingly difficult to obtain or to retain capable teachers in these schools, and it has been drawn to my attention that fewer and fewer people are offering themselves for training for such positions. Now we are confronted with the fact that the provincial grants for such schools have been sharply curtailed.

I implore the hon. Attorney-General (Mr. Porter) to indicate if this is a definite change of policy. Has the government, through the Department of Education, decided to restrict vocational schools, or is this just a temporary cut back in grants to such schools? Until some clear statement is made about the policy of the government with regard to vocational schools, no school board can have the faintest idea what kind of plans to make for the future.

This is just a clear indication, Mr.Speaker, of what I have been saying about the grants policy. The grants changing from year to year create a serious condition of insecurity in the municipalities.

It is my belief that in this matter, as in Dominion-Provincial matters, rather than making grants here, there and everywhere there must be a clear-cut division of responsibility.

The government should take over certain responsibilities itself and leave certain other responsibilities completely in the hands of the municipalities. This division should be worked out in a conference or a series of conferences with the municipalities.

From a financial angle it seems quite reasonable to suggest that one of the ways in which this division could be achieved is for the government of the province to assume full financial responsibility for education. A rapid calculation would show,

based on the figures which are available for 1948, that assuming the full cost of education and welfare (not including hospitals, which I will deal with in a few minutes) and leaving the municipalities with the balance, would increase the financial obligations of the province, and would, of course, definitely reduce the financial responsibilities of municipalities which would be clearly responsible for all other items: streets, water, sewers, police, fire protection, etc.; they would be solely responsible for how much was spent on these departments. The reduction in taxes on real estate that is so necessary would become once more the responsibility of the municipality. It would, however, be for the first time in thirty years an attainable municipal objective.

And the other great advantage to my mind, and I am sure in the mind of every municipal councillor, is that then the municipality would be mistress in its own house, even as this provincial government desires to be mistress in its own house.

When I suggest from a financial angle that it might be wise to take over the full responsibility for education, I might remind the government that municipal councils themselves have requested this change. As an instance, in a brief prepared on behalf of the City of Owen Sound to be submitted to the 1950 Dominion-Provincial Conference is this sentence: "It is humbly submitted that as the province has exclusive jurisdiction in education, its entire cost should be borne by the province."

However, Mr. Speaker, if the government is going to persist in its grants policy--and its actions in the past and its general approach to the problem indicate that it will--it must sooner or later face up to the realities of the situation. This government reminds me very much of a statement made long ago: the famous words of Disraeli: "It seems to me a barren

thing, this Conservatism--an unhappy cross-bread, the mule of politics that engenders nothing."

However stubborn the government remains in its persistence in a.....

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(Take D Follows)

mistaken policy, it must recognize that the drain on the public treasury cannot go on increasing forever. We all know why they are up. Of course, the government does not like to be reminded of why they are up. In spite of unprecedented demands for goods during the war, prices were kept down because we had a scheme of price control which worked. When the war was over it was the Conservative party that went up and down the country urging the lifting of those controls. As a result of that campaign the controls were lifted, and prices shot skyward. In that period of rising prices workers struggled to get wages up to meet the increasing cost of living.

Perhaps we are coming to the levelling-off period, but unfortunately in the economy under which we live, when we reach the levelling-off period we are usually at the beginning of the down-swing. It is not my purpose to go into that. The prime duty today, as I see it, is to find ways in which the government can cut the cost to the treasury without interfering with or reducing the quality of education or municipal services. I think this can be done, and I am now going to take the liberty, Mr. Speaker, of making a few constructive suggestions.

In the first place, I believe that we could cut school building costs if the department of Education would make available to people who want to build schools the experience of that department and provide architectural and other services. I think we have got past the point where every new school building should be an experiment. We could cut as well the costs of financing. The hon. member for West York (Mr. Millard) pointed out the other day, and it cannot be successfully refuted, that the cost to the paxpayer for every thousand dollars of new school building is on the average

$1,400. The credit of this province is high, money can be borrowed more cheaply by the province than by any school Board or by most municipalities.

Why is it that when we gave authority for the creation of the Ontario Municipal Improvement Corporation, we could not empower it to purchase education debentures issued for school purposes?

Considering that we make our greatest grants for this purpose, why should we not buy in the debentures issued for school purposes, and thus save the drain on the public treasury? These are two places where we could save a good deal of money. In connection with the cost of borrowing I would like to make a further suggestion.

Every municipality recognizes ahead of time that certain capital works will have to be undertaken. But we do not allow them to provide reserves against such future obligations. My suggestion is to require municipalities to set aside out of taxes each year small amounts which would accumulate against the day when capital expenditures have to be made. The effect of this, Mr. Speaker, would be to create cash for capital works, and to reduce the amount required to be borrowed. In these simple, direct ways we could cut down some of the costs to municipalities and school boards, and thereby reduce the amount of the grants and the currently increasing drain on the provincial treasury. Now one further suggestion. Another saving. And now I come to the final one.

We are now making grants in almost every field of municipal endeavour. One of the substantial expenses of all municipalities is insurance premiums paid for the protection of their properties. Why not establish a provincial insurance office and make it mandatory that all municipalities and school boards in receipt of provincial grants place their

insurance with the provincial office on all buildings, structures and undertakings. This would involve a very substantial saving to the municipalities and thus to the provincial treasury. And it certainly could not be questioned as a sound financial operation, since the diversification of risks would be greater than in any other insurance company. I might point out, Mr. Speaker, that the railway companies in this country all follow the policy of self-insurance, and this province is in a position to embark on such a policy with far greater surety and safety than any railway company.

I have tried to indicate to the government two clear alternatives, both with the single aim of cutting down the pyramiding drain on the public treasury. On the one hand costs may be cut down by these techniques which I have just mentioned -- by reducing building costs of schools, by reducing interest paid on debentures, by requiring accumulation of reserves by municipalities against future public works, and by the creation of a provincial insurance office to insure all undertakings of municipalities and boards receiving grants. But I believe the other alternative would be the better. It would be far more advantageous and practical in my opinion to take over certain responsibilities entirely, leaving others -- those which they are financially capable of administrating -- under the complete control of the municipalities. Let the province assume the full responsibility for education and welfare, leaving all the rest to the municipality. The municipality and the province will then each become mistress in her own house.

I have been very interested throughout the Session in the hon. Provincial Treasurer's (Mr. Frost) references on several occasions to early happenings in the history of the province. On several occasions he referred to the First

Legislature which was summoned by Governor Simcoe at Newark, now Niagara, in September, 1792. I have taken a look at the old Journals of that First Legislature of this province and I find, Mr. Speaker, that the First Legislature in 1792 failed to vote supply. Some of the subsequent records have disappeared and the first year in which I found a Supply Vote recorded was in 1798. I can assure hon. members that the Journals containing that Supply Vote are very interesting and very informative. I have them here and would like to quote a portion now. I had intended to bring the book of Archives into the House and read it to you but from memory this is what you will find regarding the original Supply Vote, and certainly they argued about things and requested much more information from the civil service of that day than we do.

"Licenses of stills; licenses of taverns;
licenses of shops"

of which they reported only one shop.

Even in those days, Mr. Speaker, we financed democracy in this province out of the liquor traffic and today we are still obtaining a substantial portion of our revenues from the same source. I suppose that is something of a record. We have been able to keep this up since 1798.

Since it is my firm belief that it is not possible for legislation to change the tastes of the people and since there are apparently those in the population who wish to drink, I believe that it is necessary to make liquor available. If we are to make liquor available, there is no valid reason why a certain revenue should not be obtained from it for the uses of the province. The question we must consider is not that. It is this.

Drinking is on the increase and certain attending evils

are also on the increase. I am prepared to give some credit to the government in that there are certain humane approaches being made to this problem. As the hon. Minister of Education (Mr. Porter) suggested, a few days ago, in a rather vague way, a certain amount of education concerning alcohol and its effects is being provided in our schools; and the hon. member for Durham (Mr. Foote) is being empowered to make investigations as to how we can best rehabilitate what we now call "inebriates". In addition, a certain amount of research is being undertaken by the board in this connection. In other words, we are, I think, at least attempting to approach the problem in a humane way; but in spite of all this, drinking is on the increase!

Mr. Speaker, I would like to leave that for a moment and turn to another problem.

We are spending more and more and more money on police forces and more and more money on jails because crime is on the increase. It may be said in addition that we are taking more humane attitudes toward the criminal. In fact, we no longer call our provincial jails by that name. They are now "Reform Institutions" and credit due to the government and the department that greater efforts are being made to rehabilitate the criminal in order that he may return to society a more useful person and, as a result, not return to criminal activities. But, in spite of those humane efforts, and the money we are spending, crime is on the increase.

Now a third problem. The hon. Provincial Treasurer (Mr. Frost) in his Budget made specific mention of building two new mental institutions -- one at Aurora and one at Smith's Falls, and the expansion of a third at St. Thomas. A glance at the estimates will indicate that in the coming year we are to spend $14,414,500. on maintaining mental institutions.

Since there are pwople waiting to get into these hospitals, and our other mental hospitals are still overcrowded, one can only commend the government for expanding our mental hospital facilities. We could say even more. We are giving better care and better treatment to the mentally ill and we are encouraging the training and employment of highly skilled people to treat these individuals. In fact, we are now able to cure certain types of mental illness. Many of the patients in our mental hospitals are now being rehabilitated and encouraged to resume their lives in society. Yet, in spite of all this humanity on our part, insanity is on the increase.

Mr. Speaker, I raise these three major matters not only from the moral point of view, but from the financial point of view. We cannot go on building bigger and better mental hospitals, bigger and better reform institutions and at the same time watch the consumption of alcohol rising higher and higher. For in spite of revenues which we may obtain from the sale of alcohol, the increasing expense of maintaining those unfortunate people can become unbearable. I am not suggesting it all comes from drinking alcohol. Thus, while continuing our humane treatment of all three, we must take a look at their basic causes in hope of finding a more effective solution to the difficulty. In seeking that cause, we, the hon. members in this house, can agree that the drunkard or inebriate does not reach that condition because he likes the taste of alcohol; the criminal does not set his foot in the direction of a life of crime because he prefers it and certainly men and women do not go insane because they want to. Something outside of themselves causes the conditions in which these human misfortunes develop.

We, on this side of the House, Mr. Speaker, believe that in these matters "an ounce of prevention is worth a pound of cure." The hon. Provincial Treasurer (Mr. Frost) said in his address in dealing with the progress of the first half of this century that:

> "The organization of mass production has revolutionized, not only the technique of industry but the whole pattern of social life."

And that is true. The revolution in our social life has occurred and the ills I have mentioned are results of that revolution. What is now required is a revolution, just as basic and far-reaching, in the pattern of our economic organization, so that in spite of mass production and its attendant social problems the individual may still feel secure in his job and confidently devote himself to that job.

To dispel the anxieties and feelings of insecurity that bedevil our people, send them to drink and crime, and often into insanity, will require a fundamental revision of our society. We on this side believe that such a revision must be undertaken.

The efforts now being made to deal with these problems, however humane and sincere, are mere palliatives and temporizing.

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I would like to discuss for a few moments a matter of fundamental importance to the development of the resources of this great province. In particular, I wish to deal with the development of our mines.

We all know that the development of new mines involves substantial sums of risk capital. Unless we can direct these substantial amounts of money into our mining areas, we cannot expect to develop these resources.

I do not need to remind the government and the hon. members of this House that, at the moment, we are having some difficulty in obtaining risk capital for mining in Ontario.

This, in itself, is a misfortune, but when we consider the tremendous development that is now proceeding in our sister province of Alberta in oil, we cannot fail to be all the more concerned.

My reason for raising this question today is not for the purpose of bringing to light certain unfortunate practices known to exist, in connection with promotion of mining properties, but rather because the remedy for our difficulties in this connection lies within the powers of this legislature.

I have here a copy of the 15th Annual Report of the Securities and Exchange Commission of the United States, for the fiscal year 1949, and on page 170 I find this:

> "During the past five years, the Commission has continued to receive a flood of complaints and inquiries from members of the public, state authorities, and Better Business Bureaus regarding the activities of a fringe group of stock promoters operating out of Toronto, Canada, who have been selling securities to residents of the United States in wilful violation of our securities laws."

And again:

"Two cases of this type made public during the past year demonstrate the lack of effective sanctions in this area of enforcement. In U.S. v. Albert Edward DePalma (Northern District of Ohio) and U.S. v. Hoel H. Knowles (Eastorn District of New York) indictments were returned charging that the defendants had sold Canadian mining stocks to United States investors by means of false representations and as part of a scheme to defraud. DePalma and Knowles, who are residents of Canada, were apprehended within the United States and released on bonds of $50,000. and $25,000. respectively. Both defendants, however, forfeited their bail and fled to Canada rather than stand trial on the fraud charges."

Of more recent date, I find this in the Detroit News, Sunday, March 12, 1950, and I quote:

"Lansing, Mich., March 11 -- You may kiss your money goodby when you take a chance on a get-rich-quick scheme involving Canadian oil, gold or uranium, the Michigan Corporation and Securities Commission warned Michigan investors today.

Hart, head of the Commission, said solicitation of Michigan investors reached a new high in 1949 and apparently is continuing in 1950.

'We have made protests to Canada and got nowhere,' he said. 'Other states have had the same experience. The Federal Securities and Exchange Commission is in the same boat.' "

A further criticism was made right here in Toronto on November 24, 1949 in the speech delivered by C. O. Nickle of Calgary to the members of the Toronto stock exchange. He said,

and I quote from the Toronto Star, November 25, 1949:

"Mr. Nickle told of the letters he had received in the last few months from nearly a score of Canadian provinces and U.S. states. 'The contents of many of them, ' he said, 'indicate high-pressure selling out of Toronto is going bull blast. The rise in Toronto of speculative stock issues and present financing methods, has critically lengthened the odds against investor profits. This is unfortunate for the industry, the public, and the broker with integrity.' "

Mr. Nickle made the following suggestions for tighter control of the stock promotion business, and I quote:

"Tighter control and review of licenses to sell securities; more co-operation with other provincial securities commissions, especially of those in which the properties involved are located; a better run for the investors' money by cutting down the margin between the price paid by the public, and the amount netted by the company treasury; tighter control over promotional literature, and enforcement of the regulations requiring a prospectus to be delivered to the prospective investor for study prior to his purchase of stock."

In airing this problem, Mr. Speaker, I want to be very precise and say that nothing I have said or am about to say is in any way to be regarded as a reflection upon the Ontario Securities Commission. I believe that Mr. Lennox and other members of the Commission are fine men, earnest and sincerely interested in the protection of the public in these matters. What I am about to talk on isthe need for better legislative provisions

under which they function. In 1947 this House enacted "The Securities Act" and The Broker Dealers Association Act. During the passage of those Bills through this House, the then Attorney General (Mr. Blackwell) said at page 884 of Hansard:

> "The Commission has been completely without a representative body with which matters could be discussed, and where a certain amount of sound regulation of the members could be procured to the advantage of the public interest."

However, Mr. Speaker, I hold in my hand a pamphlet published by the Broker-Dealers of Ontario entitled "Self-Government in Securities Industry" with a sub-title "A survey of the nature of the broker-dealers' association of Ontario: Its Functions, Responsibilities and Achievements" and I notice that it is dated Toronto, January 2, 1950 and contains a foreword by Charles P. McTague, K.C., who is, I understand councillor for the association and was, as all members probably know, head of the Securities Commission, and in particular in the year 1947 when the present legislation was enacted, in fact Mr. McTague says in his foreword:

> "During my tenure as Chairman of the Ontario Securities Commission -- I might add, in a period when a new Act was being drafted and passed -- I became perhaps an enthusiastic missionary for the principles of self-discipline and government in the securities business."

However, turning the page, the first thing almost, that meets the eye is:

> "Broker-Dealers Association not a police force".

In the first instance, it is a violation of the spirit of The Broker-Dealers Act of 1947 to view the Association

principally as a police force, cracking a disciplinary whip over its 184 members and 277 associate members. This has been widely misunderstood both in Canada and the U.S.A., where it is popularly supposed that the Broker-Dealers Association will have done a good job in direct proportion to the number of members it can catch in indiscretions sufficiently serious to warrant prosecutions or suspensions. If this were the case, the Broker-Dealers Association would be nothing more than an auxiliary of the Ontario Securities Commission, when in fact it is a separate entity, however, responsible it may be to the Commission for carrying out the securities lows of this province.

A few moments ago I quoted from the Securities and Exchange Commission of United States that a certain Edward DePalma had forfeited $50,000 in 1948 and returned to Canada rather than stand trial on a charge of fraud in the sale of securities. Today I understand although the Securities Commission has refused him a license, he is the optionee of the stock of Indigo Mines Limited. Mr. Speaker, whatever good there may be in the Broker-Dealers Association, or whatever good there may be in regulations of the Securities Commission -- to the extent that either, or both can disprove the holders of licenses to sell securities, it is my firm belief that simply policing the business of stock promotion is not the way to assure the necessary flow of risk capital into our mining areas. What is necessary is that the investing or risk-taking public get a run for its money. If we can so amend the law under which the Securities Commission operates that the money obtained by the company from the investor capital finds its way into physical activities at the mine site, then I think we will have taken the most important steps. First, development or risk capital will be

used on potential resource, and secondly, there will be no room for racketeers or dishonest dealers or salesmen. I may suggest that this can be done by this legislature.

The new powers that should be given the Securities Commission should provide that in the sale of the primary stock of the company, the purpose for which it is sold be stated and the funds placed in a bank account until the necessary amount is accumulated. No money should be allowed to be withdrawn from this account without the approval of the Securities Commission.

(Take E follows)

It is no secret that in the province of Alberta there is evidently a great deal of oil, and there has been a great deal of de elopment along that line and you have somewhat a similar problem, that is of people wanting to drill oil wells. The Securities Commission in the province of Alberta requires that money which is obtained by the sale of the original stock be placed in a bank account for the purpose for which the money was raised. If it is to drill a well, the money stays in the bank account until the company can assure the Commissioner there is enough money to proceed with the well drilling, and then and then only is it proceeded with. If we have that same idea in Ontario, then when someone comes to the Securities Commission and says: "I want to sell 3,000,000 shares of stock to finance some unimproved moose pasture up in northern Ontario," the Commission can take a look at the situation in question, and I think this is what the Commission has to do: It does not have to approve the property, nothing of the sort, what it should do is say: "How much money will it take to diamond drill these properties to find out whether or not there is anything there to go on with?" The first issue of shares should be to raise that capital, and that capital should be held in a bank account until it has been raised, and then the Commission allow it to be spent. And, it having been spent and the drill holes been put down and the cores brought up, and some reasonable geologists and people in whom the Commission have confidence are satisfied there should be further development work on that property, they will then allow a further issue of stock at a price, a higher price certainly, to the public, sufficient to do the next development work, and the broker or promoter would have his chance in that he would be allowed a certain section of the last bit of stock. This isnot a benevolent society of promotion, but promotion is difficult

work and should be paid for, but the public should get a run for its money. That process will give the public a run for its money and will give the public of Ontario, the whole public of Ontario, the added advantage that it will get some development work done in the mines, which we are not getting now.

Therefore, I ask that the whole legislation surrounding the Security Commission be revised and amended so that the Commission may function in a positive way, giving the public a run for its money, making sure that the development takes place when the money has been raised or else there will be no more development of that property. I submit, Mr. Speaker, that is the way to clean out the racketeers in the mining promotional business. There would not be any room for a racketeer in it.

Mr. Speaker, I would now like to turn my attention for a moment to the problems of agriculture and the farmers. Though considerable strides have been made in this province in farming and agricultural techniques, and in the marketing of farm products, this important economic group in our midst is faced with difficulties, some of which have been discussed in this House in recent weeks. From what has been written and said, one very important fact emerges andthat is that farm costs require further reduction. Again we find ourselves concerned with the cost of money, the interest charges on loans, asone of the serious costs in farm production. I was interested to note in the report of the Select Committee on Conservation tabled yesterday a recommendation that long term loans be made to young farmers to establish themsleves on farms. This I believe would be a forward step.

I earnestly urge the government to make such monies available to young farmers immediately. It cannot be said that

we lack the money. This government is embarrassed by a large surplus of fifteen millions now languishing in a sinking fund. I have suggested that upwards of six million of it should have been used for cash relief to the unemployed. This money cost the province nothing; it therefore could be used to make very low interest loans and any earnings on it would be almost in the nature of a gift to the treasury. It is not necessary at the moment to set up a very large fund, but I suggest that a working fund of say three million dollars be created, from which young farmers may borrow at interest rates not exceeding 2%, and I further suggest that such money be loaned for a substantial term of years.

This government has an opportunity to point the way to lower interest and capital charges and in this way give a substantial impetus to farming and at the same time encourage our young people to remain on or return to farming lands of the province. At the same time it may assist in making farming and the pursuit of agriculture a more attractive and enticing way of life.

I would like to say one further word about agriculture. It has been suggested from more than one side of the House that farming and the marketing of farm products has been made difficult by economic conditions in the world, over which this government and this Legislature have no control. I have no desire this afternoon to get involved in a discussion about the dollarshortage and the problems it has created in international trade. Suffice it to say that I think we are all being very short-sighted in not accepting sterling in payment in one form or another for our products that can be marketed in areas of the world where people are hungry, and where the only reason for their not buying our agricultural products is the shortage of dollars.

Mr. Speaker, I get very much annoyed at the myopia, the short-sightednes s of people who cannot see past that American dollar.

MR. A. A. MacLEOD (Bellwoods): Hear, hear.

MR. WISMER: If you wish to know today in Canada the greatest enemy of farmers, the greatest enemy of farmers is short-sighted bankers who cannot see past an American dollar. That is your greatest enemy. You know, it is rather funny, we are always used to associating more or less the banking fraternity with people like the Conservative Party, and in the past the Conservatives tended to wrap themselves in this great flag which we see by Mr. Speaker's Throne. They kept on wrapping themselves in the flag until a short time ago, and now you donot see them wrapping themselves in that flag, and it is a rather curious spectacle for those who watch them in that final plight, to see them waving the Stars and Stripes.

Well, I will return now to what we could really do in this province. I would like to suggest something that we could reasonably do here---something which we can do to keep our own economy on a reasonably even keel regardless of what may be happening in wider fields beyond our control. We have heard hon. members fromthe rural districts suggesting that farmers cannot afford to pay the high prices for the products of industry; and we have heard the high level of wages blamed as a reason for the high prices. On the other hand we have heard it claimed by those fromthe urban area that, without a high level of wages, farmers could not enjoy a wide market and high prices for their products.

Perhaps rural members are falling victims to the sort of propaganda which cries out about industrial wages and never mentions industrial profits. Threatened with unemployment, we

in the urban areas are anxious to see farm purchasing power maintained at a high level. I have figures which I would like to quote, because they show how vital farmers' expenditures are in maintaining a high level of employment.

I have some figures taken from an international labor organization---that is, the Internatinnal Labor Organization, the I. L. O. publication in 1948, in which this table appeared; this table was made for the I. L. O. by a private source in the United States. The man who was responsible for it is not a well known name perhaps in this country, but amongst highly trained economists in the United States very well known. His name is Leonci.

Perhaps I might preface my remarks by saying that every time we have a little unemployment the suggestion is to prime the pump somewhere in the urban areas. Well now, listen to these figures:

> "The direct and indirect employment arising from a unit of final demand for the products of various branches of production in the United States in 1939-----"

that is when this was done; I wish we could have got figures for 1949, but it takes a long while to make an investigation of this sort.

> "In other words, if someone will create at the consumer level a demand for a million dollars' worth of farm products, or a million dollars' worth of minerals, metal fabricating products, fuel and power, textiles and leather, railroad transportation, or construction, how many direct or indirect jobs do you create?"

that is the importantthing to remember if you are going to prime the pump in a period of unemployment. However, this

is the interesting figure. I have arranged this inthe order of total employment created by a million dollars' worth of final demand in ascending order, and I will read the last on the list first:

"The construction industry"

that is the poorest place to start.

"Railroads."

The next poorest.

"Metal fabrication.

"Fuel and power."

Now we are getting better. If you want to create some employment which really stimulates your economy, we are now coming to those areas where you do the stimulating:

"Minerals

"Textiles and leather."

And the best place?:

"Agriculture and foods."

Therefore, we in the urban areas want you people in agriculture to get on faster because we know that you drag us on with you.

AN hon. MEMBER: Give us some help.

MR. WISMER: See me right after. And I am therefore going to make a suggestion, Mr. Speaker, which I believe will materially assist in maintaining a high level of farm production and purchasing power, and which is within the scope and ability of this Legislature. In making this suggestion I would to say that on the average the people of Ontario are not over-fed or over-nourished, and there are certainly many sections where nutritional standards could be raised to the benefit of all. It is also true that, where there is a relatively high level of production and employment, surpluses in agricultural products occur in specific instances due probably in most cases to weather and growing conditions. The removal of these

surpluses from the market would allow prices and the income of the farmer to be maintained at a satisfactory level. I suggest, Mr. Speaker, a committee be established, either a committee of this Legislature or a committee of persons from the federations of agriculture; the labour federations and other groups, which will be empowered to purchase and distribute these surpluses. The simple process I have in mind would be something like this: Suppose that next summer there develops a surplus of peaches. That will be known to the Department of Agriculture almost as soon asto anyone. Let the Department of Agriculture at that juncture declare peaches a surplus. Immediately thereafter the committee owns the surplus of peaches. The question now arises what to do with that surplus? I think that surplus of peaches should be disposed of in a humane way. They wouldn't last long if school children all across the province could be given one a day; they wouldn't last long if the inmates of hospitals were given one a day; they wouldn't last long if old age pensioners and the mothers and children on widows' allowances were given one a day. Where will we find the money to finance the activities of the committee? I make this suggestion: The activiti s of wage workers and the purchases of farmers combine to create corporation profits. To maintain our economic system on an even keel and thereby maintain a relatively high levelof economic activity means a subtle and quiet subsidy by us all to corporation profits. We do not want to destroy food-surpluses. The creation of a committee to do just what I have suggested will allow these surpluses when theyoccur to be used to raise the nutritional and health standards of our people. It is therefore fair to raise the money to finance the business of such a committee as a tax on corporation profits.

Now, before anyone gets alarmed, I am not suggesting

this be a wide open policy and therefore vast sums of money should be involved. I am suggesting this in all earnestness and I would hope the government would take it into consideration: It was very easy to underestimate the corporation profits this year, and the tax ran up eight and one-half millions of dollars above the estimate. However, I am not suggesting you spend $8,000,000 on this but I think if you had $3,000,000 in hand for the first year's operations, it certainly would not hurt the treasury and it might go a long way toward assisting the farmers and the rest of us.

I see the hon. Minister of Labor (Mr. Daley) looking at me rather attentively. In that riding of his, it would have helped a lot of fellows last year, to have had that very thing in effect.

Mr. Speaker, I have dealt at some length with the relationship that now exists between the province and the municipalities and the relationships which should exist. I would like to raise another matter at this time because it too has a bearing on municipal and provincial finances.

The hon. Provincial Treasurer (Mr. Frost) pointed out that we will, in the coming year, provide about $14,000,000 in grants to public hospitals and sanitoria. In the past year we paid to those same institutions for construction and maintenance an amount slightly in excess of $13,000,000. In spite of these vast sums municipalities are being called upon to meet increasing deficits on the part of hospitals. And it has been brought to my attention that the uncollected accounts are rising sharply in hospitals. If this is a trend, it can produce an unbearable situation for municipalities having to meet hospital deficits, and so I am making this suggestion to the government, however good it may be to make grants to the hospitals---and I think I see a change of policy in that res-

pect going on now in spite of the large amount suggested for next year, and I might remind the House that at this point we are getting out of the hospitals the odd business now, we are putting all the money into the Consolidated Revenue Fund and reducing the amusement tax and so on---I am in favor of reducing this, but the only way you can put these hospitals on a sound financial basis and place everyman, woman and child in the province of Ontario in a position to have hospital treatment without payment at the time of need, to have hospital treatment because they need it, is to have a prepaid hospital plan on the provincial basis.

SOME hon. MEMBERS: Hear, hear.

MR. WISMER: One of the hon. members over ther the other day said: "Why do we not make Blue Cross compulsory?" Well, if that isin the Tory mind today, why does it not get into the government's mind to make a provincial hospital plan compulsory? Th t will settle all hospital deficits, because what there may be in hospital accounts, what you may have collected during the year from your prepayments, whatever small amount that may be, that small amount can be charged to the Consolidated Revenue Fund.

Mr. Speaker, other hon. members want to participate in this debate, and I will be through very quickly, but I shall not stopwithout mentioning something about the government's responsibility in housing and rent control. We all know that the shortage ofhousing is acute and is growing more critical every day. Proof of the shortage right here in the city of Toronto was amply indicated last week when the Board of Control assured the hon. member for Bracondale (Mr. Walters) that although residents of Stanley Barracks had been ordered out by June 1st, none of them would be forced on the street and that the city would find other accommodation. The city had to take

that position because there just is not anywhere else for these people to go.

What are we doing about that? We have got to have rent control so long as we have not got any place for people to move, for the very simple reason that if there is anything in making an agreement and reaching a contract it is that both parties have some liberty in the coming to the agreement. What sort of liberty is there if your landlord says to you: "The rent is going up, if you cannot move." Put it the other way: If I am a landlordand you are a tenant and I say: "I want another month," at one time you could say: "No, I will move," that used to be the case, but today there is no place to go, so if the landlord says: "I am going to have $10 more a month," you will pay it. You have to.

We have adopted legislation to set up a partnership between the province and the Dominion to authorize the construction of low rental and low cost housing. It was suggested at that time by the government that something really important would be done. Yet in the estimates we find the trifling sum of $1,000,000 devoted to this gigantic job. I raise this matter, Mr. Speaker, to indicate that the efforts being made to overcome the housing shortage are still inadequate, and so long as the housing shortage remains we willhave to control rents.

The Federal Government asked the Supreme Court of Canada to rule on whether the Dominion of Canada could continue rent controls, The hon. Attorney-General (Mr. Porter) urged at that time before the court that the Dominion should have such power. The court has ruled in favour of the Dominion. The Federal power to control rents willbe extended for another year. However, I submit, Mr. Speaker, that the correct thing for this government to do although the Dominion has the power to

control rents under these critical conditions, was to ask this hon. Legislature for the necessary legislation to set up machinery for sound rental mediation services in this province. There are two reasons for this. First, to have sufficient immediate authority should the Federal government decide to give up its powers, and, second, to be in a position to assume full rental mediation powers should the provisions of Federal rent control be inadequate to cope with critical conditions in the industrial areas of the province. Federal measures in effect now are already inadequate. Landlords and tenants alike would be a lot happier under a sensible measure of rental mediation which the province has the legal right to set up if it were prepared to accept the responsibility.

I would now like to turn the attention of the House to one of the greatest empires in the world and I am referring to that vast area of potential wealth in this province which is under the control of the hon. Minister of Lands and Forests (Mr. Scott). And it is actually in area and importance one of the greatest empires in the world.

MR. MacLEOD: Mr. Rhodes the second.

MR. WISMER: The hon. Provincial Treasurer (Mr. Frost) made reference to the pulp and paper industry and the production of forest products during his address, and pointed out that this great industry now employs many thousands of workers and that production has grown almost fantastically in the last half-century.

My concern, Mr. Speaker, today is that the great forest resources of this province should become even greater in value and secondly, that these resources should be perpetuated.

It was pleasing to note among the recommendations contained in the report of the Select Committee on Conservation, these words:

"The province should undertake to re-forest approximately 3,600 square miles of the Precambrian Shield area during the next 25 years."

Undoubtedly this project when undertaken will be on the one hand most significant in relation to the perpetuation of our forest resources, but on the other, a very expensive proposition and I notice in these recommendations of the Select Committee on Conservation.that this cost item was very must in the minds of the hon. members of the Committee.

May I digress for a moment, Mr. Speaker, to indicate the value in forest products which we now pour into our rivers and streams as large amounts of capital and labour and producing valuable products for which there are very large markets abroad. In fact this industry is one of our largest dollar earners. But the pulp and paper industry makes use of only one part of the tree and finds it still necessary to throw away what scientists now recognize as the most valuable part of the tree.

Considerable research has been carried out to separate useful substances from the lignin in wood. What we, as laymen should recognize is that the lignin in wood is what develops into coal and oil. Recognizing this, our forests become a much more intriguing asset. Our coal resources like any other mineral resource are a wasting asset. The same is true of our oil resources however great they may be. But our forest resources, however bad the management of them has been, can become, under better management and under the application of sound, sensible conservation methods, a perpetual asset. The research that is now necessary to separate out and make available to industry and our general use, the products potentially available in the waste products of the

forest industry requires the services of highly-trained and brilliant chemists and expensive equipment.

However, when we realize, as many now do, that even a small additional use of the waste products of the industry would greatly enhance the total value of our forest products, surely we can in a sane, sensible way consider a sizeable investment in fundamental research projects. I will not take the time of the House, Mr. Speaker, to discuss how great these additional values may be. Many very carefully written reports and even books are available on this subject.

What I am simply going to suggest this afternoon is that the government make available a sum of $5,000,000. for this research. I suggest so large a sum because what is needed is not just a few test tubes in a little room at the back of a building, but rather, the construction of a pilot plant up on one of the water sheds in Northern Ontario where research projects can be carried on under both laboratory and plant conditions.

(page E-14 follows)

You cannot do this on small amounts of money. It has been tried, and the men in the business now know what is required. If you can do that you can raise the value of our forest products far more, not only in financial terms but in further terms than have ever been achieved in the last 50 years, and it isout of that sort of thing we will be able to reforest the Precambrian Shield.

So, Mr. Speaker, I have pointed out to the House the surplus which the government attempted to conceal, and I have made a few constructive suggestions as to how it might be spent, rather than left lying around in a sinking fund where it cannot do any good. I have also made some suggestions as to a better relationship between the municipalities and the province---I do not suggest a better relationship between the province and the Federal government, the government has finally taken up my ideas on that point; and I have attempted also to show certain specific and practical ways in which the drain on the public purse might be reduced.

And so, Mr. Speaker, I move, seconded by Mr. Jolliffe:

> That the Motion "That Mr. Speaker do now leave the Chair and the House resolve itself into Committee of Supply" be amended by adding thereto the following:
>
> "But this House regrets that recent actual surpluses of record proportions have not been used either to reduce such taxes as the gasoline tax which bear most heavily onthe small taxpayer, or to provide immediate relief for the unemployed and extension of other urgent and desirable social welfare services."

SOME hon. MEMBERS: Hear, hear.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, just before the next speaker rises, might I just tell hon. members of the House that I have a very important communication from the Acting Speaker, signed with his own hand, which says:

"Les, this is no bull, my Angus bull was first in his class this afternoon.

"Tom Patrick."

SOME hon. MEMBERS: Hear, hear.

MR. FROST: We all want to congratulate the hon. member (Mr. Patrick) on his Angus bull.

MR. J. G. BROWN (Waterloo North): Mr. Speaker, that message which has just been read to us by the hon. Prime Minister (Mr. Frost) is a real keynote on which to commence my remarks this afternoon. What I am about to say is no bull.

SOME hon. MEMBER: Oh, oh.

MR. FROST: It is going to hurt you more than it hurts me, is it hot?

MR. BROWN: I wish, first of all, Mr. Speaker, to extend my congratulations to the hon. Provincial Treasurer (Mr. Frost) for his very excellent presentation of the Budget. This is the second occasion on which I have heard him. Many hon. members of this House have heard him many times oftener and it is my opinion thathe becomesbetter and better as the years go by. As a matter of fact, he has almost reached the stage of perfection, if such is possible.

MR. J. B. SALSBERG (St. Andrew): This is the time to stop.

MR. BROWN: It has been suggested that now is the time to stop, and we read in the paper that probably the hon. Prime Minister (Mr. Frost) is going to stop.

Mr. Speaker, during the debate on the Budget a year ago---and I think I may be pardoned for making reference to this---I took occasion to point out to hon. members of this House the antiquated method of accounting which was in effect at that time, the inconsistencies of accounting terminology, and the inadequacy of the Auditor's Report. I thereupon called upon the then Prime Minister of this province (Mr. Drew) to call a meeting of the Public Accounts Committee to discuss the recommendations which I had in mind.

(Take F follows)

I want, at this time, to thank the hon. Prime Minister (Mr. Frost) and the Provincial Auditor (Mr. Cotnam) for all that they did, and their kind co-operation in this regard. This Committee was formed, and several meetings were held. To those hon. members of the Committee who felt that fireworks would ensue, as they did in previous meetings of this nature, they were doomed to disappointment. As a result of these meetings, five recommendations were presented.

The first was that the balance sheet of the province of Ontario be made authoritative by the signatures of the Provincial Auditor (Mr. Cotnam) as well as the Deputy Provincial Treasurer.

The second was that there be incorporated in the public accounts, figures which would tie in with the figures of previous years, with those of the current year.

The third was that details in connection with consolidated disbursements be called that, rather than revenue and expenditure.

A fourth was that there should be submitted to the Assembly of this Legislature a report from the Provincial Auditor (Mr. Cotnam) stating what had or had not been done, and that, in his opinion, the balance sheet was properly drawn up, and so forth

And finally, to have the Audit Act amended and brought up to date.

The result of these recommendations are now his story.

I hold in my hand the Public Accounts for 1949, which contains the certificates of the Provincial Auditor, and which is also signad by the Deputy Provincial Treasurer, and by the Chief Accountant of the province. On page 8 we have a detailed statement of surplus accounts, which ties in with the balance sheet of the two years.

On the next page, we have the public accounts, income and expenditures of the province, properly termed, as net receipts

receipts and not disbursements.

I hold in my other hand the Auditor's Report for 1947 - 1948, which was only an abortion of the first year.

I also hold in my hand a copy of the Provincial Auditor's new report, which, in my opinion, and as well, I am sure, in the opinion of other hon. members of the House, one of the best handbooks in financial affairs of the province ever presented to hon. members of the House.

SOME hon. MEMBERS: Hear, hear.

MR. BROWN: And there has been presented to this House, the Audit Act of 1950, to replace that of 1908, which contains the recommendations that were outlined in the meeting of the Public Accounts Committee.

I want to take this opportunity of extending my sincere thanks and appreciation, as well as that of the Public Accounts Dommittee, to Mr. Cotnam, and to Mr. Spence, his assistant, and Dr. Chester Walters, and to the Deputy Provincial Treasurer, Mr. Hugh E. Brown. It was with their co-operation that we were able to bring about these recommendations as we have them today.

I trust that the hon. members of this House will not feel any taint of ego in the presentation of them made today. It indicates a spirit of co-operation which I find now exists with the government today in any real suggestion made by the Opposition, and it does prove that beyond any question, the value of Opposition to a government; and third, it is an indication of democracy at its highest level.

Now, Mr. Speaker, I have been so enthused as a result of the recommendations already made, that I will be bold enough to present some more.

The affairs of the province of Ontario are big business. The total revenues and expenditures vastly exceed those of any

business within the confines of the province. As a matter of fact, I would guess they stand more than three and four in the entire Dominion of Canada, including the Public Accounts of the Federal government itself.

It does seem to me, Mr. Speaker, that the conduct of the affairs of the province of Ontario, that is, of the administration of the province of Ontario, is not in pace with the rapid growth of our population, and of our financial status.

(Page F-4 follows)

We, as members in this House, can only gather what evidence is available to us in making these decisions, and a great deal of evidence does come before the hon. members of this House, through the publication of many pamphlets, and so on, and it is that, that I would like to refer to briefly.

The hon. Minister of Welfare (Mr. Goodfellow) is not in his seat at the present time, but I think he would accept this as constructive criticism which we should hear. Just a few months ago, I received in the mail, as all of you have done, a report by the hon. Minister of Public Welfare (Mr. Goodfellow). On looking at this report, under old age pensions, I find the number of persons on old age pensions was 70,765. Knowing that figure to be erroneous, I looked at the front page, and I find this is a report for the year ended March 31st, 1948, received by us and by the public -- eighteen months later.

We have the report of the Liquor Control Board. Usually the auditors are responsible for holding these up, but not in this case. On June 23rd, 1948, they signed a statement, but it was not received by the hon. members of the House or by the public until late in 1949.

The Civil Service Commission report for March 31st, 1948 was not received until January 9th, 1950, and the same applies to the report of the Liquor License Board. We have the report for the year ending March 31st, 1948 reaching us in 1950 -- but the tidbit came in our mail boxes the other day. On March 17th, 1950, the 1947 annual report of the Ontario Northland Transportation Commission arrived. I looked at this report, and I see by it, there is no reason to believe that the freight rates in 1948 will exceed those of 1947, and that passenger traffic will show a further reduction, and in other

services, as in 1947. We got this in our mail box on the 17th of March. I do not know whether it was a St. Patrick's Day joke or not. It is the financial statement for the Ontario Northland Transportation Commission, 1947.

I merely present these to the House as examples of the looking-glass the people must look into when determining the efficiency or non-efficiency of the government.

If I were the leader of the government, or the head of one of the departments, I would make it a rule that under no circumstances would any material be omitted from this House that is more than six months after the close of the fiscal year. If industry or commerce were permitted to submit information of this type so long after its usefulness, they would be the laughing stock of industry and commerce, and they would not last long in business.

Now, while we are dealing with the matter of printing, it does seem to me that this is one point where the hon. Provincial Treasurer (Mr. Frost) can find some method to economize. Approximately one and three-quarter million dollars is donated to printing and stationery, and I think that $200,000. or $300,000. could be saved there, and I think that we should be given a proper Hansard that we could read and understand. I suggest that unless the government does that, they may as well throw the $12,000. that it costs away, because it is useless.

SOME hon. MEMBERS: Hear, hear.

MR. BROWN: I agree with the hon. member for Bellwoods (Mr. MacLeod) when he says he does not read Hansard anymore.

HON. LESLIE M. FROST (Prime Minister): Why does the hon. member for Bellwoods (Mr. MacLeod) not read the Hansard?

MR. A. A. MacLEOD (Bellwoods): Because you cannot make head or tail of it.

MR. FROST: What is wrong with it?

MR. BROWN: I recommend that this should be passed on to a Standing Committee or a Select Committee bet set up to determine the printing requirements, with a veiw to having printing which is in proportion to the benefit of the people of Ontario, more particularly to the benefit of the tourists who come to this province to visit us.

MR. J. B. SALSBERG (St. Andrew): Perhaps the Committee on Printing should convene, not on the date of publication, perhaps it should convene earlier in the Session and deal with these matters.

MR. BROWN: I will expect Hansard to take that as part of my address.

I said before that the business of the province of Ontario was big business. A reference to the Provincial Auditor's report on page 22 would indicate that the net revenue of this province had increased from $88 million in 1940 to $215 million in 1949, and the expenditures have increased in the same period from $91 million to $206 million. The estimates

(Page F-7 follows)

are presented for the year 1950 have boosted these figures to $224. million and $223. million respectively, and it is expected for 1951 they will be increased further to $229. million and two hundred and twenty-eight decimal eight million dollars.

That must be borne in mind, as pointed out by the hon. member for South Grey (Mr. Oliver) and the hon. Provincial Treasurer (Mr. Frost) in his address, that a substantial portion, if not all, of this revenue is derived directly or indirectly from the people of the province of Ontario and is merely passed back to them in the form of service. It is appreciated that a substantial portion of the two hundred and twenty-eight decimal eight million dollars, an amou t of $70,000,000. is a shifting of responsibility from the shoulders of the municipalities to the shoulders of this provincial government, -- nevertheless, there remains a very substantial portion of it which must be chargeable against the government as increased cost of government. The departments should use every means available to minimize their expenditures as much as possible, and in the meantime give good service by way of security to the people of the province of Ontario.

I mentioned only one or two ways whereby we could save a considerable deal of money. There are many others that should be looked into.

Mr. Speaker, there is one feature of the financial structure of this province which has given me concern. It has to do with the portion of expenditures contained in the estimates which are termed statutory. I am particularly concerned about the Department of Highways. In the estimates submitted by the hon. Provincial Treasurer (Mr. Frost), he stated that for the year which we are about to enter into, some $39. million is to be expended out of ordinary revenue for highway purposes. Out of

that $39,million, only $3. million is voted by the hon. members of this provincial Legislature. To determine by what method this has come about, the only statutes which I am able to find is the 1947 amendment to the Highway Improvement Act, and I refer to section 2 of chapter 44 of the 1947 amendment. By such a narrow stroke of the pen, $36. million gets behind the pale of even a discussion by members of this House.

Let us analyze the items that are contained in that $36. million, and I think you will find that by far the greater majority are controllable expenses. These figures are from the estimates as presented by the hon. Provincial Treasurer (Mr. Frost): $220,000. is for travelling expenses; $21,500,000. is for road improvement; every cent of that is controllable. There is $131,000. for ordinary maintenance. There is $160,000. for publicity; $135,000. for license plates, and no doubt someone will ask the hon. minister (Mr. Doucett) why is there that increase from $75,000. of last year to $135,000. for this year.

These are clear indications of a type of expenditure that goes to make up that $36. million which is deemed to be statutory.

As a matter of fact, the only items which I would consider statutory, to be uncontrollable, are the subsidies paid out by the Department of Highways to the municipalities, and probably that grant of $12,000. to Niagara Falls in lieu of taxes on the Rainbow Bridge.

I would like to point out that the total amount shown as statutory is ten times the amount upon which we are privileged to vote here, as members of this House.

Now, it is true that the amendment to the Act indicates that this is to be voted out of the Consolidation Fund. Why should it make it statutory? Would it be possible for the Department of Welfare to do the same as the Department of

Highways, and make everything statutory through a stroke of the pen. The Highways Department is not the only offender in this regard.

I believe that it is in the interest of the hon. members of this House that no Act, whether it be this Act or any other Act, should determine those items as being legally statutory, that it should be considered as a means to an end, and not as an end in itself, and thus take it out of the control of the hon. members of this House.

I would like to read from the Provincial Auditor's (Mr. Cotnam) report a reference which he makes to this point. It is on page 14, and I quote:

> "In my opinion, a study should be made of the legislative enactments authorizing payments out of the Consolidated Revenue Fund. The payments which by statute are authorized to be paid out of the Consolidated Revenue Fund should be reduced to a minimum, with the result that there would be returned to the Legislative Assembly the granting of supply for the sums necessary to defray the estimated expenditures of each fiscal year to a degree greater than at present. In this manner the principle that sovereignty in financial matters is vested in the Legislative Assembly would be more fully recognized and maintained."

In that, I most heartily agree.

There is just one other matter on which I would like to make mention, dealing with statutory license. I think I referred to it last year, and must do it again. This is also

(Page F-10 follows)

a matter which gave the Treasury Department some concern when discussing the estimates. I have reference to the salaries which are paid by statute to the minister for their services as Cabinet ministers. It is my information that the statute clearly said that the amount is to be $10,000. I understand that the amount which is received and which has been received since 1934, has been $8,000. An attempt was made to correct this in the present estimate by saying the statut ry amount is $10,000. and waiving the $2,000. While I understand that some form of authority has been given to some person or other to waive this $2,000., I have yet to find where any member has waived his right to that $2,000. If I were the Auditor for this province, I would feel a great responsibility on my shoulders, and would feel justified in doing one thing or the other -- either in receiving an irrevocable clarified waiver from every hon. member of the Cabinet, past, present and future, that at no time would he be entitled to this, or else set it up on the books of the government as a liability, and so put it in my report.

I will try to clarify this point a little. I do not know which Cabinet minister I might mention -- I think probably I know the hon. member from South Wellington (Mr. Hamilton) best. So I shall refer to him. The provincial election has rolled by. The ex-Minister of Reform Institutions (Mr. Dunbar) the ex-Provincial Treasurer (Mr. Frost) is in his office at Guelph, and the provincial Legislature is in session, but he is not here. It makes a person think, and finally he comes up with an idea that the province owes him $6,000. Anyone has a right to change his mind, and that is what has been done. Rather than rely entirely on their own ability, they employ the services of a good lawyer. I noticed a man in Lindsay who

was not busy at that time, either.

SOME hon. MEMBERS: Oh, oh.

MR. BROWN: He accepts the case, and he wins and collects, and he collects a fee from the hon. member for North Waterloo (Mr. Brown) and collects his own back indemnity.

That sounds like a bedtime story, but I think, legally, it is absolutely sound. It seems to be ridiculous that we should be violating a statute year after year. Everyone should accept the $10,000. as their salary, or let us change the Act.

HON. DANA PORTER (Attorney General): What would you do?

MR. BROWN: If I were you last year, I would have taken it.

I like to feel that the Treasury Board has a definite part to play in the financial affairs of the province of Ontario. I would much prefer to see each department hew all their legitimate revenues and expenditures to the bone, even if it was necessary later on in the year to come with hat in hand before this door, and ask for some financial funds, some additional funds, to see them through.

(Take G follows)

And I, like the hon. member for Riverdale (Mr. Wismer) feel that as a result of some of these items which have been voted by the Treasury Board, there must surely either have been some very bad planning in the preparation of the Budget, in the first place, or there was an attempt to use this means to expend monies which were received by the Provincial government over and above that contained in the Estimates.

It is rather unfortunate that we do not have in our hands figures in detail past those March 31st, 1949. Here again, I can "go along" with the hon. member for Riverdale (Mr. Wismer) that at the opening of each Session of Parliament we should be presented in detail with those items which have been expended during the year, by way of Treasury Board minutes or special warrants.

But in looking over these Treasury Board minutes which we have before us, for 1949, we see such an amount of "Services and Expenses in connection with Agricultural Work for Northern Ontario Development", and a huge sum of $645,000. How could it be humanly possible for such an expenditure as that to be incurred and not be anticipated when the Budget was first inaugurated?

We have $145,000. in connection with the Ontario Agricultural College, and we have $85,000. for the Ryerson Institute of Technology, and in that Department -- I believe it is that of the hon. Attorney-General (Mr. Porter) -- there is an amount of $500,000., which is stated to be travelling expenses and salaries under the Law Enforcement Branch. How could it be humanly possible that items such as those could not have been anticipated?

Then, I am quite positive the grant of approximately

two and a half million dollars to the Universities -- $1,800,000., I believe for the University of Toronto alone -- must surely have been in anticipation of profits in excess of this Budget.

Then we have approximately $2,000,000., which has been voted out of Treasury Board minutes to the Department of Lands and Forests.

Now, it does seem to me that the government in office could command the respect of every hon. member of this Opposition with respect to the Treasury Board, if they used the Treasury Board for the purpose for which it is intended, and that is to vote sums to the various Departments to see them through until we meet here for the next Session.

The hon. Minister of Municipal Affairs (Mr. Dunbar) knows full well -- because he has attended many council meetings; I know full well, because I have been a member of the city council for ten years, that once we set our budget as to revenue and expenditures, we then put on the phonograph record, and that record says to every delegation which appears before city council, "Sorry, there is nothing in the Estimates". It seems to me if this provincial government would take that same stand, the Opposition to this government would be satisfied with the aims and objects of the Treasury Board of the province of Ontario.

Now, Mr. Speaker, I would like to deal for a few minutes on the current Budget, which was so ably presented by the hon. the Provincial Treasurer (Mr. Frost).

The first startling statement which was made by the hon. Provincial Treasurer (Mr. Frost) was that in the past 50 years the only seven consecutive years in which the Provincial Treasurer showed a surplus was in the past seven

years.

May I say that during the past seven years had the hon. Provincial Treasurer (Mr. Frost) shown anything but a surplus, he would not have been a Provincial Treasurer worthy of the name. He knows full well that the conditions through which this province has passed during the past seven years, firstly, with the curtailment of expenses for the propagation of the war, and for the past three or four years, due to what he himself likes to call a "buoyant revenue" made it absolutely impossible to do anything else but to show a surplus.

But, may I warn the hon. Provincial Treasurer (Mr. Frost) that in my opinion, the honeymoon is about over. Evidences on all sides indicate a very vast reduction in corporation profits, and that must come as music to the ears of the hon. members to my right. All you have to do is to read any financial paper, or any morning paper on the financial page, and you will see plenty of evidence of it right now. I do feel that the hon. Provincial Treasurer (Mr. Frost) is extremely optimistic when he budgets for over $600,000,000. for 1951 in corporation taxes. I hope he gets it, but I am quite confident he will not.

The curtailment of public spending during the year 1950 will be at the lowest ebb, it has been for the past number of years. It looks to me as though the surplus, as suggested by the hon. Provincial Treasurer (Mr. Frost) of $166,000., which, after all, must be considered as a "break-even" figure, will melt like the snow before the noon-day sun, and it does look very definitely to me as if the year 1951 will be the one which is going to, for the first time in eight years, produce a deficit. That is, if the provincial government maintains its program of spending as is outlined in the Budget.

Secondly, if by some stroke of magic, it does receive from the federal government, by way of personal taxes, some monies which can be devoted directly to the Consolidated Revenue Fund, and provided -- and will you watch this -- that it does not trespass on the amount which is available to it from the Liquor Control Board. There is indeed a large sum of money there which I know is available to the hon. Provincial Treasurer (Mr. Frost) for the equalization of revenue.

I listened to the hon. Provincial Treasurer (Mr. Frost) tell us that he contemplated some changes in the corporation tax Act. I am very pleased indeed to have him say so, and I sincerely do trust that at least the two items, which I am going to mention, they are going to be given some consideration.

In the Budget of 1949, as presented by the Federal Government, the small corporation was given some benefit. The tax on his profits up to $10,000. was assessed at 10 percent.; the profits on corporations in the province of Ontario is still seven percent.

Now, the hon. Provincial Treasurer (Mr. Frost) has stated that is the reason for presenting this amendment, that is, to bring us more in line with the federal government, and it does seem to me definitely that in the interest of these small corporations a $700. tax for the province of Ontario, and $1,000. tax for the Dominion government, is not equitable.

But there is one other point which has given me even more concern than that, and that has to do with old-age pensions. The federal Act states rather clearly that a man for past services can be paid either in a lump sum, or spread over a period of not less than ten years.

(Take H-1 follows)

And whether it be paid in a lump sum or not, for tax purposes, the amount shall be spread over ten years, each one considered as an annual instalment. Under the provincial Act any amount that is paid by a corporation for cost of services is considered a lump sum, whether it be an instalment or not, the result being that instead of spreading the amount over ten years, it is spread over a period of twenty years.

I have had occasion to discuss this matter with the Controller of Revenue on different occasions, and I believe he did indicate that some attempt would be made to correct this situation, and I do sincerely trust that this is one of the amendments which is to be contained in the recommendation respecting the Corporations Tax Act. And not only would I suggest that, but I might suggest also that the government, in accordance with its avowed procedure, as was exemplified during the last Session of Parliament, would make the legislation retroactive.

Just a word on our Federal-Provincial relations.

As has been mentioned, from this side of the House, on frequent occasions, it is most gratifying indeed to see that the government of the day in this province has, as has been so aptly stated by the hon. member for Bellwoods (Mr. MacLeod), awakened, and is now prepared to act with the Federal government for, to use the words of the hon. Provincial Treasurer (Mr. Frost) "immediate action in many fields". It is comforting indeed to note that what appeared to mountainous obstacles under a former leadership have now become smooth sailing, that representatives of the provinces and of the Federal government can now meet in a spirit of good will and arrive at sound conclusions and decisions, and that the tendency in the past has been to exaggerate difficulties and to minimize remedies, is

the statement of the hon. Provincial Treasurer (Mr. Frost).

MR. MacLEOD: Only five per cent. obstacles.

MR. BROWN: Mr. Speaker, what a rebuke to a former hon. leader of this government (Mr. Drew), a rebuke which could be justified not only by all hon. members on this side of the House, but--

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I want to say my reference was not to the former hon. Prime Minister (Mr. Drew) or, indeed, to anybody specifically. My reference was to statements which are made very widely in Canada about our constitutional difficulties, and I direct that to our people generally.

The fact is that at Dominion-Provincial Conferences, the tendency is to magnify the task and the difficulties to be faced. Now my reference was to nobody specifically, but it was to our attitude generally towards that problem.

MR. BROWN: I quite appreciate, Mr. Speaker, the remarks of the hon. Prime Minister (Mr. Frost). Nevertheless, the fact remains that the situation is no different now than it was three years ago; what can be done now could just as easily have been done three years ago if that same degree of co-operation was exemplified as is being manifested at the present time.

I give credit to the present hon. leader of the government of Ontario (Mr. Frost) for his stand in the matter. On the other hand, the government of which he now is leader must stand in judgment for the harm which has been done to the people of the province of Ontario for its failure to enter into agreement with the Federal government many years ago.

There is one section in the Budget of the hon. Provincial Treasurer (Mr. Frost) which I think he might have just as well forgotten about, and that is where he has

stated that an attempt would be made to get 5% personal taxes from the Federal government merely by their issuing two, three or four tax security Acts.

If he did not know it when he delivered his address, I am sure that he knows it now, that such an amendment just cannot be adopted. I am quite confident that the promise which has been made in 1946 to the Federal Government, stating that they will place every facility possible, still holds good, that if necessary they will see that the province of Ontario gets the necessary forms such as have been used in other provinces, but I doubt very much if under the intricate methods which are used of collecting Federal taxes at the moment they will accept the proposal of thehon. Provincial Treasurer (Mr. Frost). It made excellent reading in the paper.

MR. FROST: It is a common-sense proposal, is it not?

MR. BROWN: I am not disagreeing with the hon. Prime Minister (Mr. Frost) that it is not a common-sense proposal, other than the difficulty to enact, but I am quite confident that it will not be carried out.

MR. W. DENNISON (St. David): Surely they will not back out.

MR. FROST: You have not much faith in them down in Ottawa.

HON. G. H. DUNBAR (Minister of Municipal Affairs): I am glad you see the difficulties they had.

AN hon. MEMBER: Do not magnify the difficulties.

MR. BROWN: The Federal government has made the field available to the province of Ontario and it is available to the province and is within the province of the Province of Ontario to collect its 5% tax, and, sooner or later, I think that is what will be done. Whether we shall assemble here

as a special meeting of this hon. Legislature before the next Session or not, I do not know, but I am sure that will be done ultimately.

However, there is one other thing which does concern me: In Budgets of previous years, a schedule was very carefully inserted in the address of the hon. Provincial Treasurer (Mr. Frost), indicating the relationship between the collections under an agreement and without an agreement. In the 1949 Budget thehon. Provincial Treasurer (Mr. Frost) was very proud indeed to say--

MR. FROST: I will just send the hon. member (Mr. Brown) a copy right now. There it is for this year. I was going to give it to you after dinner tonight. It looks pretty good.

MR. SALSBERG: Read it aloud.

MR. BROWN: Oh, it is not too far out from what I am going to tell him.

MR. FROST: Do I please you?

MR. BROWN: In the 1949 Budget, thehon. Provincial Treasurer (Mr. Frost) was very pleased indeed to tell the people in this House that without an agreement or with an agreement we would collect substantially the same amount of money and that we would retain that so-called provincial autonomy. What about the present Budget? I do not know whether thehon. Provincial Treasurer (Mr. Frost) had this before him at that time or not, but in any event this schedule has mysteriously disappeared.

MR. FROST: Mr. Speaker, I am going to give it to the House tonight on the Estimates. The whole story.

MR. BROWN: I will beat the hon. Provincial Treasurer (Mr. Frost) to it. I will give the story now.

MR. FROST: Okay.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: You tell him.

MR. BROWN: Surely it was not--

MR. DUNBAR: I thought you would be with us sooner or later.

MR. BROWN: ---the intention of the hon. Provincial Treasurer (Mr. Frost) to purposely withhold this information from the public.

MR. MacLEOD: Oh, he would never do a thing like that.

MR. BROWN: Oh, no, surely not. Surely it was an error of omission that the hon. Provincial Treasurer (Mr. Frost) would be pleased to tell the people of the province of Ontario that if Ontario had been one of the agreeing provinces that for the yearwhich will end on March 31st 1950 he could have reported revenue for the year from the field of corporation taxes, succession duties and statutory subsidies---I am going to use the figure I have of $6,000,000 more than is now budgeted. If I may be permitted to use the figure which I have been given by the hon. Provincial Treasurer (Mr. Frost), the difference is $3,000,000.

MR. FROST: That is right.

MR. BROWN: In other words, assuming that his figures are correct, we would have collected $3,000,000 more.

But in his forecast for the 1951 year, he could have been able, had we been one of the agreeing provinces, he could have claimed with some justification and pride that we would be collecting for the year 1951 some $12,000,000 to $14,000,000 more than we will be doing under our own steam.

MR. FROST: Not including income tax.

MR. BROWN: These, Mr. Speaker, are matters which cannot

be forgiven by the people of the province of Ontario.

I would like to conclude by commending the government for its anticipated action with respect to horse racing and to the establishment of a Racing Commission, a Bill for which has received its first reading today, and to provide for parimutuel machines in trotting. I would like also to commend the government for its decision to place in the Consolidated Fund the revenues derived from hospital taxes, and for the method which it has adopted of distributing these taxes to the various hospitals throughout the province of Ontario.

I would also like to commend it for the reduction which has been made in the amusement tax from 20% to 15%, and in many cases eliminating it entirely, particularly for those children who do attend the matinees; and also for the countless other achievements, some of them routine, but some of them realistic, which are contained on pages 48 to 50 of the mimeographed address of the hon. Provincial Treasurer (Mr. Frost). I do want to close with t is note, that no government is so good that it is beyond the realm of criticism, and no government is so bad that it cannot be commended for its accomplishments.

SOME hon. MEMBERS: Hear, hear.

MR. A. A. MacLEOD (Bellwoods): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

MR. SPEAKER: It being now 6 of the clock, I do leave the Chair.

And it being 6 of the clock, the House took recess.

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The House resumed at 8:00 o'clock p.m.

Hon. L. M. FROST (Prime Minister): Mr. Speaker, I move that you do now leave the Chair, and the House resolve itself into Committee of Supply.

Motion agreed to.

House in Committee, Mr. Patrick in the Chair.

Hon. L. M. FROST (Prime Minister): The Estimates of the office of Lieutenant-Governor. I will take one or two items here until some of our hon. members assemble. I will take some of these minor items.

MR. CHAIRMAN: Page 69, Office of the Lieutenant-Governor, Vote No. 117.

MR. L. F. K. FELL (Parkdale): Mr. Chairman, I would like to enquire of the hon. Minister (Mr. Frost), I notice in this Vote 117 salaries indicated as permanent showing $9,000., cost of living bonus $500., expenses and allowances for contingencies $5,000., a total of $14,500. I am interested to know whether this is actual salary which the hon. the Lieutenant-Governor himself draws, or whether this is for staff.

MR. FROST: I may explain to the hon. member (Mr. Fell) that is for staff. The hon. the Lieutenant-Governor is paid by the Dominion government, not by ourselves. This is for staff only.

MR. FELL: Could the hon. Minister (Mr. Frost) indicate approximately how much of a staff they would be, in number?

MR. FROST: Well, really, I could not say off hand. The Estimate has been about the same for years, and I think hon. members of this House will agree with me when I say that what His Honour does for us in the matter of being, as it were,

the host for the province makes me think often that really we do little enough for His Honour. I am told the staff is three in number, and they are all permanent staff.

Vote No. 117 agreed to.

Hon. L. M. FROST (Prime Minister): Miscellaneous.

MR. CHAIRMAN: Page 107, Miscellaneous. Vote No. 195.

MR. L. E. WISMER (Riverdale): Could we have an explanation, Mr. Chairman?

MR. FROST: As hon. members will recollect, I have explained this item on a number of occasions. It is really a cross-entry, and the situation is that we are making every year large refunds, for instance for gasoline tax, succession duties and a number of other items on both capital and ordinary accounts.

Actually speaking, we pay those amounts at the end of the month before we perhaps have any monies on hand, and the $100,000., as it were, places an item in the Estimates, and then that balances out during the year. Last year I think through this account there was something in the neighbourhood of $14,000,000. to $15,000,000. handled. It ends at the end of the year and balances out.

The purpose of the miscellaneous item is only an item to which other items can be charged, refund items -- take for instance, in succession duties a person's executors may pay us $1,000. and perhaps there is $180. of a refund for overpayment. That is paid, charged against that account, and then we get a credit from the Department for which the refund is made. It is the same with the Department of my hon. friend, the Minister of Highways (Mr. Doucett). There are, I suppose, tens of thousands of gasoline refunds which go out and which are charged to this

account and then debited to his department, and we get the money from there. That is the idea of the item.

Actually speaking, I have often said we might for instance put one dollar in this account, but the argument of the treasury officials is that in the first month before you get any money in credited from other departments, you have to make payments. They find they can get along on $100,000. and that is the purpose.

MR. WISMER: Mr. Chairman, might I ask why the item has been increased $25,000. this year, from $75,000. last year to $100,000. this year? Is there some explanation?

MR. FROST: It used to be $100,000. before we reduced it to $75,000. last year, but we made it $100,000. because the treasury officials felt that kept the account from being "in the red". By the time we start getting in payments from the Departments, the items will balance themselves out, and it was felt it would be better to put $100,000. in there rather than $75,000.

My argument to them was: "Why not put a dollar in there?" Well, it is an actual fact that in starting at the beginning of the year, you have to have a certain amount of money before refunds come in from the various Departments.

MR. J. G. BROWN (Waterloo North): Mr. Chairman, the answer of the hon. Provincial Treasurer (Mr. Frost) to the question of the hon. member for Riverdale (Mr. Wismer) is my question.

Item N o. 1 agreed to.

Vote No. 195 agreed to.

On vote number 196.

MR. WISMER: Will the hon. Minister (Mr. Frost) let us have an explanation of this?

MR. FROST: The explanation is the same, only that is on the capital side.

MR. WISMER: Why do we have to have it for the capital side?

MR. FROST: Should we, for instance, get a refund from the Federal Government in old age pensions; the amount would go through this account and is a very heavy amount, to make the old age pension credit toward the department, and that is the purpose.

MR. WISMER: Why do we have to have a separate account, when you have a special account for taking care of the--

MR. FROST: That has been the practice. Sit in with my hon. friend (Mr. Brown) over there.

MR. WISMER: I am not an accountant, Mr. Chairman.

MR. FROST: I am not myself.

MR. WISMER: I just wondered why we have to have three or four places to charge things.

MR. FROST: I should be glad to give my friend full details if he wishes to have them.

MR. WISMER: I think it is time we had some detail on these things.

MR. FROST: It is no trouble, I would be very glad to give it to my hon. friend (Mr. Wismer). It is an accounting item. My hon. friend the member for Waterloo North (Mr. Brown) would quite understand the situation. It is an item that has been carried in the accounts always, and the purpose of it is just as I explained.

MR. A. A. MacLEOD (Bellwoods): Has it ever been defeated?

MR. FROST: Not to my knowledge.

MR. J. B. SALSBERG (St. Andrew): Could you manage without it, though? That is the point.

MR. FROST: I will be glad to send over my notes.

MR. WISMER: I would like to make it clear, Mr. Chairman, as I think it is rather silly, a little, to be creating separate accounts in the government to look after items that could be just as easily looked after in another account. Here we are asked to vote $100,000 "Miscellaneous refunds." $150,000 is a lot of money---

AN hon. MEMBER: Not the way you talk.

MR. WISMER: ---and we have seen for seven or eight years Estimates come before this House which in actuality meant very little, and I think it is time we had some figures before the House to indicate why we vote the Estimates. I think this is very important and I think it is time someone rose in the House and started worrying about the Ontario taxpayer.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: I can assure the hon. member (Mr. Wismer) this does not cost the taxpayer a cent.

MR. WISMER: It does cost the taxpayer something. It must cost money to set up this account, if nothing else.

HON. WILLIAM GRIESINGER (Minister of Planning and Development): It costs plenty, after you talked this afternoon.

MR. E. B. JOLLIFFE (Leader of the opposition): After being $20,000,000 out in your Estimates.

MR. FROST: Mr. Chairman, I would be very glad if my hon. friends would like to discuss this matter with the treasury officials, with the Provincial Auditor. We would be delighted to show them the whole operation of the account and they could see the details of it themselves and satisfy themselves as to the

purpose of the account. It is an accounting item and it would be a pleasure to show it to the hon. member (Mr. Wismer) or any other hon. member of this House.

MR. WISMER: I might say, Mr. Chairman, it would be a pleasure to see it, but the greatest pleasure I would get is the protection of the Ontario taxpayer.

AN hon. MEMBER: You would not understand it.

MR. WISMER: So far they have had no protection from this government.

MR. FROST: I take that from you as the "Watchdog of the Treasury."

MR. WISMER: At least you take it.

MR. FROST: Of course.

Item number 1 agreed to.

Vote number 196 agreed to.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, we will take the Office of the Provincial Auditor. That ought to be a popular subject.

MR. CHAIRMAN: Page 79, Office of Provincial Auditor. Vote number 137.

(Page AA-7 follows)

MR. H. C. NIXON (Brant): Mr. Chairman, may I ask the hon. Provincial Treasurer (Mr. Frost) what the practice is in the government in connection with unemployment insurance? You only have $100.here for the purchase of stamps. It is optional with the government whether your employees are enrolled with the unemployment insurance, is it not?

MR. FROST: On temporary help only. On our own help, as I understand, on permanent staff we did not pay it.

MR. NIXON: You have to pay it on temporary?

MR. FROST: Yes, on temporary staff you do.

MR. J. B. SALSBERG (St. Andrew): Mr. Chairman, I think this point might as well be discussed now as any other item on the Estimates. I refer to the cost of living bonus. We had a discussion about this item a year ago, and nothing has happened, and I feel obliged to raise it again and to object to the practice of carrying the increase in salary to the civil servants as a separate item under the heading of cost of living bonus. I doubt whether there are many industries and private enterprise -- which is so much admired across the way -- who still carry the increases given in the early period of the war as cost of living bonuses. They have in almost all cases been absorbed --

AN hon. MEMBER: No.

MR. SALSBERG: I said in almost all cases have been absorbed, and certainly have been absorbed where the workers have been organized into unions and saw to it that they were absorbed. There is certainly no reason why this government should continue to hold a separate item called "cost of living bonus".

Let us be very frank about this. The civil service, with minor exceptions, does not get adequate pay, and I repeat that lest anyone wants to have an opportunity of refuting it. I say the civil service,with minor exceptions, does not get adequate compensation for its work, and I repeat also what I said a year ago that that applies to some of the most important members of the civil service, as well as the humblest employee of the province.

The fact is that deputy ministers get a salary which in many instances is lower than the salary paid a commissioner down the street in the City Hall here in Toronto who is handling a similar responsibility, excepting that some deputy ministers here carry a far greater responsibility than does a commissioner in the city, and yet the wages are lower. Yet both people live in the same city, have to meet the same expenses, and that is true, only more decisively, for the employees in the lower grades.

The hon. member for Brantford (Mr. Gordon) for instance, in the discussion on the Speech from the Throne had occasion to draw the attention of this House to the miserably low wages paid to the employees in our reform institutions, and he has presented figures to show that married men employed by the province in the Brantford Area in the reform institutions there actually cannot make ends meet. With such a scale of wages and salaries paid, there is certainly no justification for keeping a cost of living bonus alive and separate so that this or any other government can at the first opportunity use it as an excuse for bringing wages down by saying that was only a temporary grant in the form of a cost of living bonus, and now that the cost of living has dropped two points, "We are going to cut your wages". That

should have been absorbed in the wage structure some years back.

I say to the Treasury benches that if our civil service had been but one bit wiser and had formed a legitimate trade union, this and many other things would have been accomplished long before now. I assure you that if you keep up some of these practices, they will scare you all out of your wits, and they will join a trade union, as I hope they will, and as I encourage them to do every year. If there are any civil servants gathered in this Chamber, in the galleries or anywhere at all, I ask them to listen to my advice and join one or the other of the trade unions of this country.

AN hon. MEMBER: Are you being paid?

MR. SALSBERG: And not being a trade union official, you cannot charge me with being paid for doing a little bit of agitation.

MR. W. DENNISON (St. David): He said "legitimate trade unions".

Hon. G. E. DUNBAR (Minister of Municipal Affairs): The Seamen's Union?

MR. SALSBERG: You notice, Mr. Chairman, that when you mention a union and when you urge the employees of the province to join a union, the hon. Ministers begin to react like private entrepeneurs who are scared that their own hands will join a union. Gentlemen, you are only there temporarily, and are but the trustees for the people of the province, and I am sure that the people of the province would have no objection to the civil servants joining a union.

I want to close my few remarks by appealing to the hon. Premier (Mr. Frost), as I have done in the past, to come before

this House now and give a more substantial justification for the continuation of this rather unwarranted policy, and all the better will it be if he were to assure the House that after the Estimates have gone through this House, in the future the cost of living bonus will be absorbed, it will become a regular fixed part of the salaries, and the wages which we are paying to the Civil Service.

And a last word to the civil servants; do not forget to become organized, or you will never get that and a lot of other things that are due to you. That applies to the press gallery as well.

SOME hon. MEMBERS: Oh, oh.

MR. C. H. MILLARD (York West): Mr. Chairman, I believe that last year on several of the departments I raised a similar question to that of the hon. member for St. Andrew (Mr. Salsberg), and I raise it again this year because it is becoming particularly ludicrous to say the least when the boards appointed by this government to the Department of Labour, to the hon. Minister of Labour (Mr. Daley), are, with almost no exception, doing exactly that. They are recommending that the cost of living bonus, as paid throughout the war years and in the post-war period, be now incorporated with the wage rates. I have before me at the moment the McIntyre Conciliation Board report, signed by Doug Fuller and his two associates from that board, on February 28th -- just last month. It says exactly that very thing . It recommends that the cost of living bonus being paid by the McIntyre Mines be incorporated into the wage structure of that mine.

HON. W. GRIESINGER (Minister of Planning and Development): What year was that put in?

MR. MILLARD: The cost of living bonus was put on during the war. I am not sure what year.

MR. GRIESINGER: What year?

MR. MILLARD: The bonus paid during the war.

MR. GRIESINGER: What year?

MR. MILLARD: I do not know.

MR. GRIESINGER: Okay.

MR. MILLARD: Does it make any difference?

MR. GRIESINGER: Yes.

HON. G. H. DOUCETT (Minister of Highways): A great difference.

MR. MILLARD: Why?

MR. FROST: Because they incorporated -- this is a new cost of living bonus.

MR. GRIESINGER: We incorporated the cost of living bonus during the war into the salaries of civil servants.

HON. G. H. DUNBAR (Minister of Municipal Affairs): $240. a year.

MR. FROST: This is an additional one.

MR. MILLARD: This cost of living bonus has been on here several years, has it not?

MR. FROST: Not this one.

MR. SALSBERG: Then why leave it on?

MR. MILLARD: Then if you incorporated it before, is it not logical to incorporate it now?

MR. GRIESINERG: No, certainly not.

AN hon. MEMBER: What is wrong with you?

MR. GRIESINGER: All right, during the war, what year?

MR. SALSBERG: What has that to do with it?

MR. MILLARD: So I am asking the government to do what they are advising, through their chairman of the conciliation boards, every corporation to do at the present time, to include the cost of living bonus in the wage structure.

MR. DUNBAR: And we did so.

MR. FROST: Mr. Chairman, perhaps I can clarify the doubts of both my hon. friends opposite, at least I hope I shall be able to. What happened was that back in 1942, I think it was, with the increase in cost of living arising from the war, the government at that time gave a cost of living bonus, I think of $240. a year. Now, I am speaking from memory. Following that, in 1943 and 1944 we had a complete salary revision, we sat in with the civil servants, with the committees and the civil servants and we completely revised salaries. And I may say the revisions were very substantial.

(Page AA-13 follows)

Following that, my recollection is we still, I believe, kept on the cost of living bonus because we were figuring it out, I think, on the 1939 cost of living, and we kept on the $240. Subsequent to that, we incorporated the $240. in the salaries of the service.

MR. MILLARD: That is the salary increase.

MR. FROST: No, no, we incorporated it, and then I may say to my hon. friends opposite, we have given the normal salary increases. All this was arrived at with the service itself, we have given the normal salary increases, but we incorporated the cost of living bonus into salaries at that time.

Now, speaking from memory again, I think that was about 1946. In 1948 we found there was again a considerable increase in the cost of living, so we gave an "across the board" cost of living bonus of $15. a month, $180. a year.

MR. E. B. JOLLIFFE (Leader of the Opposition): Just before the election, was it not?

MR. FROST: Well, we never think of elections. We leave that to the people.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: But in any event we incorporated that, or we added that to the salaries, but I would point out that each year we have given the normal salary increases that apply according to the salary schedules.

I think we in Ontario can say, and I know that you may find exceptions, you may take a particular classification or something, but I do say that by and large the salaries of our service here in Ontario are the best salaries of any province or the Dominion government itself.

MR. SALSBERG: Not so.

MR. FROST: Recently the Dominion government revised many of its lower-class salaries upwards, but I think that still here in Ontario our salaries are the best in any province. And then, in addition to that, we give a cost of living bonus of $15. a month to each employee.

MR. SALSBERG: Will the hon. Premier (Mr. Frost) agree that it is not as good as the wages and salaries paid in the City of Toronto?

MR. FROST: Well, of course it must be remembered that there are a good many compensations to civil service employment. I would say that we have not and never have had a great deal of difficulty in getting employees in the civil service, and the reason for that is we have very generous sick benefits, we have very generous retiring allowances, we have a very generous pension fund, and that sort of thing. In the end, all of those things level themselves up, and I would say that our situation here in Ontario is, considering everything, very, very satisfactory.

I want to make it clear to my hon. friends that this cost of living bonus they see here is not the cost of living bonus to which my hon. friend (Mr. Millard) referred to, which is still being carried on in some industries and has been there for a number of years. This was a new cost of living bonus which we initiated about a year and a half ago because of the increased cost of living at that time.

MR. MILLARD: Might I ask, Mr. Chairman, has the civil service not requested that the cost of living bonus be incorporated in the salaries?

MR. FROST: As far as I know, not this particular cost of living bonus. I think there is -- I was going to say

"entire satisfaction", but when you get to several thousands of employees that is perhaps a very sweeping statement, and I do not make sweeping statements. My hon. friends opposite know that.

SOME hon. MEMBERS: Oh, no?

MR. FROST: But I would say that I think there is general satisfaction with this arrangement.

(Take BB-1 follows)

MR. EAMON PARK (Dovercourt) Mr. Chairman, that is not the way I heard the civil servants speak, that they are generally satisfied with the situation. Some of them are quite disturbed about the levels of the salaries in the civil service generally, and the inclusion of this cost of living bonus item. There is hardly a single industrial firm in the country which now carries a cost of living item on its books, on the basis that it can be given or taken away at the whim of the employer. I think the Province of Ontario, as an employer, is doing something less than industry in general in this country, when it carries the $15.00 a month cost of living bonus as not part of the salary of the civil service employees.

In spite of what the hon. Provincial Treasurer (Mr. Frost) has said about the discussion which went on with the Civil Service about this matter. In fact, the operation of the committee of the Civil Service were about the same as the operations of company unions which you find in this country all around, and they do not, in my view, represent the freely expressed opinion of the civil servants about their wages and working conditions. I do not think that freedom of expression can come about until this government is ready to meet and collectively bargain with the civil servants instead of evading the thing.

The fact of the matter is, the government is not now paying that $15.00 cost of living bonus, or would not be if they did not believe that the cost of living in this country entitles a worker to get that. You cannot defend

that on the floor of this house unless you admit that they are justified in receiving the cost of living bonus.

It seems to me that is true, that the government is not carrying this cost of living bonus on the same basis as they were previously, but I suggest they should eliminate the cost of living bonus, as such, and incorporate that into the wage rate of the workers to assure them that in the future their wages will be at that rate, rather than be subject to a reduction whenever the government takes the whim.

MR. G. T. GORDON (Brantford) Mr. Chairman, I think in some remarks I made when speaking on the address in reply to the speech from the throne, I mention that the wages which are paid to the civil servants in the Reform Institution at Brantford.

I will give you one example. This man came to me the other day and told me he had started in that Institution some eighteen months ago, and he $800.00 in the bank. He has been subsidizing his low pay from this $800.00, until today he has none of that money left. He was expecting that during his period of service there would be something done, and an increase in salary be granted. But nothing has been done in the past eighteen months, and he finds now that he cannot make it go, and instead of going in the hole, he is resigning.

When you find the case of a man who gets $128.00 per month, and $15.00 cost of living bonus, and out of that has to pay $4.00 for his uniform, insurance, medical, and so on, and then transportation for six miles to and from his work, it just cannot be done.

There are many things I could say in connection with this matter, but I will reserve them for another occasion.

These men are on shift; they come off duty perhaps at two o'clock in the morning, and there are no busses to take them to and fro, so, as I said in my remarks before, they try to own cars. I said it cost seven cents a mile to run a car, but I find that when the Department runs one of its cars to pick up an inmate, they charge fifteen cents a mile, so I was away off in my figures.

MR. FROST: I do not want to interrupt the hon. member (Mr. Gordon) but the fact is these are the auditors estimates. If it is a question of going over this again when we reach the estimates of the Department of Reform Institutions, I think perhaps my hon. friend (Mr. Gordon) would do better to reserve what he has to say until that time.

MR. H. C. NIXON (Brant) Of course, Mr. Chairman, the discussion on this item has not beem confined by any means to the civil servants in the auditors department. It has been a general discussion. I think the hon. Prime Minister (Mr. Frost) will agree to that.

MR. GORDON: I did intend to keep my remarks until the estimate of the Department of Reform Institutions, but when we began discussing salaries, I thought I would say

a few words.

MR. DUNBAR: I am surprised that the hon. Member for Brant (Mr. Nixon). When I came in to REFORM INSTITUTIONS and Provincial Secretary, we were paying $1,200.00 and no bonus at all. We paid a bonus of $240.00, and later moved that into the salaries. We raised the salary up at Burwash to $17.40 per year, to begin with.

MR. NIXON: What are you surprised at the Member for Brant about? You were in opposition, and had every opportunity to make suggestions, which you did not do.

MRO DUNBAR: You had been paying them starvation wages, when they were in,

MR. NIXON: They were better wages than now, considering the cost of living.

MR. DUNBAR: We used to put all your estimates through in one night.

MR. L. F. K. FELL (Parkdale) Mr. Chairman, I think I agree with the hon. Prime Minister (Mr. Frost) that these questions should be raised on the estimates of the office of the Provincial Secretary, where the salaries of the civil servants should be properly raised. But, inasmuch as the hon. Prime Minister (Mr. Frost) has raised on item 137--

MR. FROST: I did not raise it. It was raised by the hon. Member for West York, (Mr. Mallard).

MR. FELL: The hon. Prime Minister (Mr. Frost) retorted, and I think he did make a point, and while the question is fresh in his mind, we might get an answer

at least on the part dealing with bonuses. The statement was made that in 1942 the bonuses were incorporated into the salary--

MR. FROST: That was accomplished. We did that in 1945 or 1946.

MR. FELL: Were these discussions carried on with the Civil Service Commissioner or with the Civil Service Association.

MR. FROST: With the Civil Service Association themselves. Actually, the way the salaries were worked out was this; there was a committee of the Civil Service Association which sat in with the Commissioners and the heads of some of the Departments, and there was a complete revision. We changed the classifications, extended salaries, and put in a system of salary increases. I would be glad to give the hon. Members opposite a statement, if they want to look it over of the salaries of those days and the increases the employees received and I can assure my hon. friends that the new statement will look like the commencement of the millenium itself, because under the previous government of which the hon. Member for Brant (Mr. Nixon), was a Member, we had some cases where there were employees who had not received a single solitary increase for twelve years.

MR. NIXON: That would go back into the previous government, of which my hon. friend, Mr. Frost, was a Member. You still have two ministers who were in the government of Mr. Henry.

MR. FELL: The hon. Prime Minister (Mr. Frost) having answered the first part of my question, my second question is; has any discussion of this present cost of living bonus taken place with the Civil Service Association itself? The vote we are on at the present time; has it been accepted by them?

MR. FROST: That is right.

MR. J.B. SALSBERG: (St. Andrew) Mr. Chairman, would the government agree to this very logical, reasonable, and I must say very sensible proposal I am about to make?

SOME hon. MEMBERS: OH, oh.

MR. SALSBERG: And establish once and for all what the civil servants desire in regard to this question, and not to require the assurance and re-assurance of the hon. Premier (Mr. Frost) and other hon. Ministers, that the civil servants are satisfied, and the Civil Service Association is happy, and so on? Would they agree that a committee of this house take a secret vote amongst the civil servants, asking them this question whether they do or do not desire the incorporation of the cost of living bonus in the regular wage structure? If you feel that they are all very happy, you will agree to that; if you do not agree, obviously you know beforehand what the vote will be. Let us do this, and settle the matter once and for all.

MR. PORTER: I would suggest we take a secret vote of the hon. Members of this house--

MR. SALSBERG: I would be afraid of the secret ballot in this house, because there are a majority of Tories here, and they would vote "No".

Mr. Chairman, I ask the hon. Premier (Mr. Frost) this question, and if he will agree to it, it would dispose of the question in quick time. The refusal to accept it will mean that we are carrying on without giving the civil servants their due.

May I say, apropos of that, that the hon. Premier (Mr. Frost) has brought to the house proof that the Liberals when they were in power paid these lower salaries.

I do not think the government should go out of its way to prove that they were no better than you; I think that you should try and prove that you can be better than you are now. Do not try to prove that they are better than you. Everybody knows that.

MR. A.A. MacLEOD (Bellwoods) Mr. Chairman, I would like to ask this question. Since the hon. Prime Minister (Mr. Frost) has taken us back to the grim days when the Liberals were in power in this province, I wonder if he could refer us to any speeches he made from his place on this side of the house during those days, where he advocated an increase in the salaries of the civil servants.

MR. FROST: Oh yes. I was just as talkative as you fellows are.

MR. DUNBAR: There was no Hansard in those days.

MR. E.B. JOLIFFE (Leader of the Opposition) There is one point here which should be cleared up--

MR. FROST: Perhaps more than one.

MR. JOLIFFE: One at least. I am glad to see we are getting away to such a harmonions start.

We are on item, vote 137. I think we should be able to get an answer to this question, because so many hon. Ministers have been anxious to talk about the matter that they must know this much; in what month was this cost of living bonus instituted.

Hon. G. A. Welsh (Provincial Secretary) August, 1948.

MR. JOLIFFE: In what month was it announced.

MR. FROST: It was after the election, if that is what you want?

MR. JOLIFFE; It was not after the election. The hon. Prime Minister,(Mr. Frost) knows it was not. It instituted until August, but it was announced before the election in 1948. Let us not have any of this pretense.

MR. FROST: I am sure if I had known about that, that never would have happened.

MR. DUNBAR: It was the same year they captured you down near Belleville.

Some hon Members: Oh oh.

MR. MILLARD: Do not loose your temper comrade George (Mr. Dunbar). Keep the blood pressure down.

MR. JOLIFFE: I definitely heard the hon. Prime Minister (Mr. Frost) say a little while ago that the Civil Service Association had expressed its acceptance of the continuation of the cost of living scheme. When was that accepted expressed.

MR. FROST: The whole matter was discussed at that time.

MR. JOLIFFE: At what time?

MR. FROST: In the middle of 1948.

MR. JOLIFFE: That is quite awhile ago.

MR. FROST: My recollection was it was in September. My hon. friend (Mr. Joliffe) said it was before the election, which was in June. My idea was the arrangement was made sometime in September.

MR. L.E. WISMER: (Riverdale) We should be clear about this sirs. I think the government will agree that no civil service salaries were increased after 1946.

MR. FROST: How do you mean? I can assure you my recollection is--

MR. WISMER: I was living here in Toronto, and there were no increases after January 1st, 1946.

MR. FROST: Mr. Chairman, our salary bill this year is one million dollars more than last year-- for normal salary increases.

MR. WISMER: Mr. Chairman, there was no general increase after January 1st, 1946. In fact, I can give it to you within two days when the increases were announced in 1946.

MR. FROST: Youare quite wrong.

MR. WISMER: I am quite right. I made a speech on the 24th April, 1948, and two days later the increases were announced.

MR. WELSH: Mr. Chairman, this matter came up in the latter part of September, 1948, and was made retroactive, until the 1st September, 1948.

Some hon. Members: Hear Hear.

MR. JOLIFFE: We may sometimes be taken in a little by these estimates, which turn out to be $19,000,000 wrong,

but we are not taken in on a historical point like this. We all know that just prior to the election of 1948 there were increases amounted in Mother's Allowances, and the Civil Service by adding this cost of living bonus, and there were other increases announced to the taxpayers.

MR. FROST: Is that ordinary parliamentary practice?

MR. PORTER: After all, they voted for us after that, after we told them what we were going to do.

MR. JOLLIFFE: 40% voted for you.

MR. DUNBAR: We outsmarted you.

MR. WISMER: Mr. Chairman, we have not yet had any explanation from any hon. Minister on the Treasury benches as to why the cost of living bonus should not be incorporated in the regular wage scale of the Civil Service. Could we have an answer to that.

An hon. Member: How many children have you got?

MR. FROST: This government is a very enlightened government.

MR. WISMER: Just let us have an answer to the question.

MR. FROST: We increase the salaries of our civil servants every year. We gave them $15.00 a month because of the high cost of living. That has worked out with satisfaction to our employees--

MR. WISMER: They tell us they are not very satisfied.

MR. FROST: I can show the hon. Members, even in the days of highest employment, that there was a waiting list of those who would like to get into the service, so we must

have a good reputation in the province.

MR. MILLARD: May I ask the hon. Prime Minister (Mr. Frost) if the Civil Service Association held some kind of a referendum asking the government to incorporate the cost of living bonus into the salaries, are you prepared to do it.

MR. WELSH: There is not one who wants to take another job. They are satisfied.

MR. FROST: No. After all, a government's responsibility is to deal fairly with these people, and to use its judgment fairly, and if the people do not like what we can do, they can always turn us out of office. They have endorsed us three times, and we confidently expect they will endorse us the fourth time.

SOME HON. MEMBERS: Hear hear.

MR. JOLLIFFE: That will depend on how many announcements you make just before the election.

MR. FROST: We are dealing fairly with our civil servants. Where you get 10,000 or more employees, of course, there are bound to be cases of friction, but, nevertheless, we try to eliminate these things and keep our people happy and satisfied, and give them a square deal. No government can delegate its powers or its responsibilities in that regard, and I think our civil servants think that we have given really a pretty square deal.

MR. BROWN: Mr. Chairman, I am wondering if this would be the proper time to discuss the item of the Provincial Auditor's salary-- I am not referring to his personal salary

but as to whether such an item as this is statutory.

MR. FROST: I see it is a statutory item.

MR. BROWN: It states it is statutory, but if you refer to the Act, it merely states that "the Lieutenant-Governor in Council may appoint an officer who shall be called an Auditor who shall be paid a salary of not less than $6,000. per annum, which shall be chargeable to and paid out of the consolidated revenue fund."

I know it is a legal point, and if the hon. Provincial Treasurer (Mr. Frost) wants to answer it later, that is all right.

MR. FROST: No. I would say I would not want to persuade the hon. Member (Mr. Brown) against his better judgment that we were right, that we have felt it was a statutory item and we have placed it there. It is true that the items is not to be voted in the ordinary course, but, nevertheless, it is there, in the plain light of day, and is to be seen. I may say the Auditor's salary now is $10,000. a year.

MR. JOLLIFFE: Mr. Chairman in the same connection, last year I drew to the attention of the government the rather disorderly condition of the estimate in regard to some of the items. Sometimes it is questionable whether an item listed as statutory should be so listed, but what is probably more important for the information of the house is that the estimates are completely inconsistent in referring to statutory authority. In some cases the statute is cited, the statute alone; in other departments the statute, and section

and sub-section are cited in some instances, but in a case like this we have no reference to a statute whatsoever.

I raised an objection to this last year and no one was prepared to argue I was wrong, and there is no improvement in this year's estimates. I think there should be. I think a little more attention should be paid to the objections and suggestions made about the estimates. Any one can see, in going through the estimates, there is no logic at all in the present arrangement. Sometime the statute is cited, sometimes the statute and section and sub-section are cited, and in some cases there is no statute cited at all. In some cases we have the extraordinary words "contingency, statutory, $10,000". What on earth will that possibly mean, and I am speaking at the moment because this is the first vote in which I have noticed it.

MR. FROST: I think there is something in my hon. friend's (Mr. Jolliffe) suggestion there concerning the citing of statutory authority for the items which are statutory. In the last year or two we have had the greatest difficulty in getting printing done, and so on, and there are many things which I personally would like to see done, but time has pressed against them. I will give consideration to the matter of putting in the statutory authority, and I will discuss the matter with the Treasury Board.

MR. JOLIFFE: Some departments put it in now, and I would think if some departments can do that, there is no particular reason why others cannot also. Actually, what

the hon. Prime Minister (Mr. Frost) is saying now, is about exactly what he said last year.

MR. MILLARD: You are consistent, at least.

MR. DENNISON: I noticed the salary item in this department has been increased in the last two years from $169,000. to $209,000. Does that indicate an increase in the number of employees, or an increase in the salaries themselves?

MR. FROST: Actually speaking, there has been some small additions to the staff, but very small, considering the work which has been done. The increase here is an increase in salary -- the normal increases in salary, during the year. There has been very, very little increase in staff -- if any.

MR. JOLLIFFE: I do not want to seem to be unduly concerned about details, but I think more thought should be given to grouping all items under statutory headings, as the hon. member for Waterloo North (Mr. Brown) has suggested.

At the present time, it has been drawn to my attention that this year's estimates show the salary of the auditor as a statutory item. His salary appeared in the Public Accounts of 1948 - 1949, as an ordinary item. Something must have happened to change the minds of some people, or else it was a mistake. Either there should be some consistency about this, or some reason for the change. I think the hon. Prime Minister (Mr. Frost) will agree that it is odd it should appear for one year as a statutory item, and another year as an ordinary item.

MR. BROWN: Is it not true that the estimates have been preparad in anticipation of the passing of the Audit Act, 1950?

MR. FROST: The auditor has direction of the accounts, and all that sort of thing, and we are most anxious to improve our public accounting methods, but I can assure my hon. friends that while he reminded me of this last year, I absolutely

promptly forgot about it, but my officials are sitting over in the gallery, and they never forget anything, so it will be taken care of.

MR. MILLARD: Does the provincial officer also get the cost of living bonus?

MR. FROST: Everybody get it.

Vote 137 agreed to.

(Take CC follows)

HON. LESLIE M. FROST (Prime Minister): Department of Provincial Treasurer.

MR. CHAIRMAN: Page 84, Department of Provincial Treasurer, vote number 148.

MR. FROST: Mr. Chairman, it has been customary for hon. members in introducing estimates of their Departments to make an address concerning the work of their Department. I will not inflict that onthe hon. members. I have no intention of doing that.

On vote number 148, subsection 5, the Dominion-Provincial Conferenceandthe Bureau of Statistics, I have looked after my hon. friend the leader of the opposition (Mr. Jolliffe) and the financial critic of the Liberal Party over there (Mr. Brown) and the financial critic of the opposition party, the hon. member for Brant (Mr. Nixon). I have also looked after the hon. member for Bellwoods (Mr. MacLeod).

I may say this in relation to the matter of the Dominion-Provincial Conference and the relationships in that respect, I have expressed some views in connection with that subject, and I am just saying a few things here with relation to it.

I want to say to my hon. friends that as we are here tonight in 1950 we have a great deal more experience than we had in 1945, and I say this, when I sat on the opposite side of this House, just about where the hon. leader of the opposition sits now (Mr. Jolliffe) and the hon. member for Brant (Mr. Nixon) sat over here, back in 1937 and 1938 when the Sirois investigation was made and the report made in 1940, looking back over these ten years and more, we have a great deal of experience to draw upon which we did not have in those days. I know the hon. member for Brant (Mr. Nixon) will agree with that. In 1943 we formed the Statistical Branch, which has done fine work in connection with the appraisal of our position in

the national life w ich assisted us materially in connection with the great work that there is. I want to mention this so the hon. members will know the difficulties in connection with this problem. I will preface what I have to say by this, the hon. member for North Waterloo (Mr. Brown) made a reference to the former Premier, the hon. Mr. Drew, under whom I had the pleasure to serve for a number of years. I want to say this, that it has become the habit of some people in this House to belittle what the hon. Mr. Drew did in connection with the Dominion-Provincial Conference. There is no doubt that at that time there was a different scene. There were different people to deal with and different circumstances arising during the Conferences and the Sirois Report of 1940. I will say this as regards the hon. Mr. Drew, and history will show that this is right, and I think our hon. friends will agree, the hon. Mr. Drew's position at the Conference in 1945 and follow ing did bring great benefits to the province, for which he has received but little recognition. Certain of the provinces were anxious to accept the Dominion's first proposals in 1945. There was a great deal of negotiation and argument, with the result that at the beginning of 1946 a very much better offer was made and following that in the Fall of 1947, a better arrangement was made because of the situation inside British Columbia at that time. The other provinces were the beneficiaries of better deals as a result of that. I would say, and while the hon. members of this House may disagree with some of the things that took place in these negotiations, nevertheless the results of this Conference did benefit what we might term, and I do not like the expression, the "Have not provinces." But it did benefit eight out of the ten provinces of this Dominion very materially.

Mr. Chairman, the Dominion Government back in 1945 and since that time, has set out certain principles

with which I find myself in agreement. For instance, the Dominion Government stated they were anxious to avoid multiple taxation, and I am most anxious to avoid multiple taxation, and I may say that as Treasurer of the province I did everything to avoid that, and the government will go to the utmost ends to avoid announcing to our taxpayers an added burden.

I also agree that we are a solvent province, but I do not wish our province to have to build a fence around our boundaries and let other provinces that are less favored be in a position that makes it impossible for them to maintain average standards. There is no quarrel between myself and the Dominion on that point.

The Federal Government has thought it desirable to avoid unstable revenue. We have never been faced with that difficulty as in other provinces, where their economy is tied up to fewer resources. Actually over 80 years our revenues have been stable, and we have not that problem.

I also agree with the government in the matter of public works projects. We have discussed that many times in the past few weeks, and I am in favor of sitting in at the Fed ral Government and timing the projects to meet the circumstances of the day. All governments, municipal, provincial and Federal should pull together in harness regardless of political differences.

I agree with the government onthis, and I think there is much to be said for avoiding this. If the Federal Government reduces taxes on one item, possibly the province will raise the taxes. I think there is a formula that can be practised on that situation.

On these five points I am in agreement.

I would like to mention some of the difficulties of this

problem. My days in political life go back to the days preceding the Sirois Report. I sat on the other side of the House at the time of the Sirois Report and I thought much was in favor of the arrangement. I thought that there were some good advantages in it. After looking back, and hindsight is always better than foresight, the incorporation of the Sirois principles would have been a great mistake for all of the provinces, and that is indicated by the fact that none of the provinces have accepted it. The Sirois Report as recommended is now in the past. It would have meant to us a loss of about $240,000,000 on our collections.

The next deal that I was connected with, when seated inthe opposition, was the suspension agreement of 1942, with which the hon. member for Brant (Mr. Nixon) had to do. We gained experience from that arrangement. Actually speaking, it cost Ontario a lot of money but we had to follow on in that because it was necessary. We were anxious to do it,---in the war our backs were to the wall and we were faced with the possibility of defeat and everything that could be was thrown in the pot. If we had not voted unanimously we would have been open to censure.

In 1945 the Dominion Government,---- they were honest and sincere men who drafted the proposals, I think that those who prepared the proposals of August 1945 thought they were the last word and would meet the situation across Canada to the entire satisfaction of this country. It did not take more than a few months to find out that it was not satisfactory. They were revised in 1946 and re-revised at the time of the Hart agreement, the British Columbia agreement in 1947, and there was a further revision this year when the province of Newfoundland joined the Dominion.

So you have in the last ten years ten different pro-

posals or agreements starting with the Sirois proposals of 1940.

These things stand out in bold relief in my thinking. First of all, no one knows all of the answers to these complicated questions dealing with Dominion-Provincial proposals. In 1950 we have more experience than in 1945 and than in 1940, but there are many things which will have to be determined and worked out. The main thing is to avoid any one settlement that may irrevocably alter the rights of the province. They will have to be complex enough to meet the situation which willarise in the next ten years. No one knows what the condition of our economy will be at that time.

I think the leader of the opposition (Mr. Jolliffe) mentioned the matter of the different value of the dollars, or it may have been the hon. member for Riverdale (Mr. Wismer) the different purchasing value of the dollars. I would like to leave this thought in connection with the determination of corporation tax. In 1947 we estimated our corporation tax revenues at 7%, would be $40,000,000. We had a lot of debate and we decided that $40,000,000 was right. Well it went up to $58,000,000. Then we considered $60,000,000 as a proper estimate and at the present time it is $65,000,000. That will show the growth of corporation tax. But on the other side of the picture we are attracting huge amounts of industry. with the growth of our power development in this province, with the increase of our power resources by many hundreds of thousands of horsepower. It also means that whether you collect your own revenue or not, industry brings more and more problems. For every dollar collected from industry by taxation, with that dollar we must, before providing anything for old age pensions, etc., provide for pollution and other problems.

We had an experience to day. We.....

have added problems to contend with, we have to have more highways and roads and schools, we have to provide for welfare services that run with centralization of population. Back in 1942 and 1945 we never heard of that. We find that a corporation tax dollar costs us money in overhead and increased cost of government, so the net amount that we get from a corporation tax dollar is very much less than the sum of one dollar.

MR. E. B. JOLLIFFE (Leader of the opposition): Would there be any difference per capita?

MR. FROST: I have here for the year ending 31st March 1948. In that year the Dominion subvention was $74,000,000. If we accepted that we would not get the provincial taxation and we would have been faced with this problem of industry and providing for pollution, increased highways, and the like. That is a new factor which has come into the situation as far as this province is concerned. To conclude, we are able now in 1950 to see the value of tax fields, and we can see the value of subventures. The proposal of 1946, as amended again in the Hart proposal of 1947, would have brought in this amount according to our figures. This is projected to the years 1951 and 1952 and exceeds $16,000,000,000. In these five years, it would be $439,156,000. We estimate that in collections from the mining tax and what we get under the 7% corporation tax and our succession duties, that we will collect $389,489,000. But there is a potential of 5% on income tax which we are not collecting, but which we are now going to consider in a Bill with the Dominion.

(Page CC-7 follows)

I think the hon. member for North Waterloo (Mr. Brown) will agree that if we can work that out, it will be a sensible arrangement, and if it is a sensible arrangement, I do not think that Ottawa will reject it.

MR. A. A. MacLEOD (Bellwoods): Will you try to make it read so I could collect for the other years?

HON. LESLIE M. FROST (Prime Minister): You always talking rettoactively.

If we add to the Corporation Tax on the basis of that field, $48 million, that gives us $470 million. This is the result of just looking at the matter from the standpoint of 1950. The Dominion had offered us in good faith an arrangement where we were going to receive more revenues than we would have a possibility of collecting ourselves, $439 million.

Actually, the field, with all the potentials we have in increased or reduced taxes, and sometimes I do agree in reducing taxes, it would be worth $470 million.

I draw this to your attention for this reason, not to show that we gained or lost, but to show that it is well to go slowly on these matters, and not take an irrevocable stand. In going to Ottawa this fall, that will be our position, but we hope to meet the five points that the Dominion considers desirable.

On the other hand, we have to recognize that in a great province like this, our province of Ontario, and all the problems that are connected with it, it is desirable in any arrangement, whether a sharing of the tax bills, or something akin, or on a basis of rental, that it is elastic to meet our needs.

That is my philosophy in connection with Dominion-Provincial actions.

SOME hon. MEMBERS: Hear, hear.

MR. WISMER: I agree to a large extent, with what the hon. Provincial Treasurer (Mr. Frost) has said, and I have said the same thing previously myself. However, I do not think it is fair for the hon. Attorney General (Mr. Porter), whether he agrees or not, to suggest that in the fiscal year ending March 31, 1948, the proposed payment from the Dominion amounted to $74 million, as against $87 million. I do not think that is a fair comparison. We have to recognize that if you had accepted the proposed payments from the Dominion -- all provinces -- you would not have any payments for old age pensions over the age of 70, and you would have been able to make an agreement as to who was responsible for the relief and for the employable unemployed.

MR. FROST: There was no reason why this could not have been made.

MR. WISMER: I did not interrupt you when you were speaking.

There is a difference here of only $13 million, the $74 million you would receive from the Dominion for 1948, and you raised here, on your own account, $87 million if you picked up the five per dent personal income tax. I am not saying whether you could or not; I am suggesting that what you paid out in old age pensions in 1948 could reasonably be put on this side with the $74 million, because the Dominion proposed to take over the old age pensions in this agreement.

MR. FROST: No. They offered to pay old age pensions at 70, but in 1950, there is a committee being convened to find ways and means of doing that.

MR. WISMER: I rose after the hon. Prime Minister (Mr. Frost) spoke, and I gave him the floor. Here he raises a question between the figures, and the matter of an old age pension

payment which should appear as a credit.

If you want a political argument, we will give you one. It was Tory politics that blew up the previous proposals, and it is Tory politics that attempt to make the agreement now. Nothing that the Liberals do in Ottawa is acceptablo in Ontario. It is useless to say you will not collect the personal income tax in Ontario because you did not want to increase it. You just said you will collect it because it will not increase. How long are we going to have to put up with this nonsense. Let us have something clear once in a while.

MR. FROST: Don't lose your temper.

MR. WISMER: And there is another impression that the hon. Prime Minister (Mr. Frost) left. The implication was that when you collect one dollar on corporation [illegible] tax it does not amount to one dollar in tax.

MR. FROST: I did not say that. I said that for every dollar you got from industry in corporation tax there aremonies you have to pay out in services to the industries.

MR. C. H. MILLARD (York West): You did not say that with regard to the liquor trade.

MR. WISMER: Whether you put it the way I put it or the way the hon. Prime Minister (Mr. Frost) put it, it is the same thing. If you have industry you have to have more pollution, highways, schools, you have to have expenses. The way the hon. Prime Minister (Mr. Frost) puts it, if you collect a dollar from industry you have to pay out because of that. You have these problems whether you collect a dollar or not.

MR. FROST: I said that whether you collected it by subvention or taxes, the fact is that Ontario will have to provide for roads, schools, welfare and so on.

MR. WISMER: That is exactly what I wanted to say. It has nothing to do with whether you tax it or not.

MR. WILLIAM DENNISON (St. David): In connection with the estimates, I would like to point out that in the last estimate we had on the administration of the Hospital Tax Act, there were 43 employees in the year 1948-49.

MR. FROST: Where is that?

MR. DENNISON: Vote 148, main office.

Were they all removed from this, this year?

I would like to discuss this hospital tax because this department will be collecting it through the main office this year rather than through a separate department.

In 1948-49 this department with 43 employees administering the Hospital Tax Act, gathered unto itself $6,117,000 in revenue. That revenue was earmarked for hositals and that revenue was used for no other purpose than to finance hospitals and help hospitals in this province. This year that revenue will be taken in by the head office of the Treasurer and I amdoubtful if the hospitals will find it as easy to get the revenue from the treasury as they did under the previous arrangement. Therefore, I think this is a device to smooth over a situation which arose a few years ago when people kicked about this taxation. You could always say it was for a good purpose and that this was for the hospitals and that was the only reason the tax was being applied. Now it is going into the Consolidated Revenue of the province and not earmarked for hospitals.

MR. FROST: We have been spending much more for hospitals than we received from the taxation, at least twice as much. I would say we are still calling it the hospital tax. When you go to a rink and pay for your ticket you will feel

that you are assisting the hospitals.

MR. DENNISON: With these 43 employees, are we saving manpower by doing away with this?

MR. FROST: No.

MR. DENNISON: In the Public Accounts C. S. Walters is listed as both a permanent employee and a temporary employee. He is still listed under both headings.

MR. FROST: In looking at Mr. Walters you would not think he is over 70 years of age. That is why he is listed as temporary.

MR. E. B. JOLLIFFE (Leader of the opposition): How can he be both?

MR. DENNISON: He is listed at the top in each capacity.

MR. H. C. NIXON (Brant): If there were any more categories, he would be at the head of those as well.

MR. FROST: When I sat opposite we called him civil servant number one, and Mr. Walters is a most valuable civil servant and advisor.

SOME hon. MEMBERS: Hear, hear.

MR. DENNISON: In sub-item 6 on vote number 148 we have an item of $10,000 for historical sites, celebrations, and so on. And in looking through the list of expenditures I see only the amount of $127.50 was spent in 1948 and 1949. It seems to me that if this province is unable to find historical sites on which to spend that money, I might say we would accept some of it to restore Fort York. If the government decided to spend $10,000 on historical sites and if they cannot find anything in Toronto, they could use it for Fort York. And there are other parts of the province on which they could spend this money in restoring historical sites.

MR. FROST: I am responsible for having that put in the Estimates some two or three years ago. We did not

spend it under the item and for this reason; we had no arrangement with the rural historical societies in the province. We have paid out some money for marking the Georgian Bay route. This year we have spent $2,000 for the Fairfield Memorial. There are some other items that we have in mind, and I am hopeful that we will find a reasonable way of commemorating historical sites in the province. It is of great interest.

MR. C. H. MILLARD (York West): Before leaving 48, I think we should deal with the summary. In the summar there is a new item and I cannot understand it. That is housing on page 86. I wonder if we could get an explanation of that.

MR. FROST: The Husing Corporation was previously under Planning and Development and the matter of collection of mortgages has come into the Treasury Department because of the mortgage situation. I am trying to make a deal with the Dominion Government.

MR. E. B. JOLLIFFE (Leader of the Opposition): We still find under Planning and Development statutory items and housing projects.

MR. FROST: This is the collection of the second mortgages, $15,000,000.

MR. E. B. JOLLIFFE: Will there be votes each year for a Housing Branch under Planning and Decelopment and the other branch?

MR. FROST: The one under Planning and Development is the construction department, and the government is dealing with the Federal Government on the new assumption. This deals with mortgage loans. We have the development branch that was collecting, and we felt it was more desirable to bring this under the Treasury rather than spread out. There will no further sednnd mortgages advanced by us, and further collec-

tions will be through the Central Housing.

MR. JOL IFFE: On vote 148, there is an item railway tax $14,000, $4,000 more than last year. Could we have a statutory reference on that?

MR. FROST: I can get it for you.

MR. JOLLIFFE: We should find out what it is about.

MR. FROST: This is in connection with the old railways of half a century ago.

MR. A. A. MacLEOD (Bellwoods): Could the hon. Treasurer (Mr. Frost) tell me how much of the half billion dollar debt of the Province is held by American financial institutions? Of the actual indebtedness, how much is held by American financial institutions?

MR. FROST: What half billion dollars?

MR. MacLEOD: The capital debt of the province.

MR. FROST: Mr. Chairman, I would say that I have just received a note from the hon. member for West York (Mr. Millard). I had intended calling the Estimates on Education. I am anxious to make headway, but he is anxious that we should not call them.

MR. MILLARD: If the hon. Prime Minister (Mr. Frost) would read the other side of the note he will see that I said in view of this letter from the Trustee Association we should wait.

MR. FROST: What letter?

MR. MILLARD: You have it.

MR. FROST: I was trying to say that I will call the Department of Municipal Affairs instead.

MR. MacLEOD: While the figures I asked for are coming in, I would like to know how much the province pays in interest to the American banking institutions every year.

I would like to mention on the item for historical sites, etc.,---may I ask if the hon. Prime Minister (Mr. Frost) made a

contribution to the restoration of the home of William Lyon Mackenzie?

HON. MR. FROST: We have not made any contributions to the restoration of any sites. Take the site at Midland. It is most desirable but we have made no contribution.

MR. MacLEOD: I wonder if the government has given any thought to the desirability of setting up a Commission on historical sites in the province?

HON. MR. FROST: We hope to get, and we will get the cooperation of the various historical societies.

MR. H. C. NIXON (Brant): The item, "public service superannuation fund, $1,329,000., Statutory." And the last item in the estimates of the hon. Provincial Secretary (Mr. Wolsh) at page 83 is "Ontario public service superannuation fund, $1,500,000." Could we have an explanation?

(Take DD follows)

MR. FROST: What vote was that?

MR. NIXON: Well, in your vote, it is under item 4, statutory, "Public Services Superannuation Fund, Statutory".

MR. FROST: Is that vote 148?

MR. NIXON: Yes, $1,329,000. Well, now, that is your contribution to the superannuation fund, is it not?

MR. FROST: Yes, I assume so.

MR. NIXON: Well, will you look on the page before that, the last item in the Provincial Secretary, 83, "Ontario Public Services Superannuation Fund, million and a half."

MR. FROST: I will have that for you in a moment.

The officials give me this, that one is our contribution to the fund and the other is under the provincial Secretary, and the contribution for pensions to some employees, is it? Payments out of pensions -- that, I think, is the explanation.

MR. NIXON: Payment out of pension? And then there is another item here, "Grant to incorporated Canadian Racing Association, $20,000." Has the hon. Treasurer (Mr. Frost) any idea what that association does with the money, and how they pay it out?

MR. FROST: Yes. What happened was that some years back we made a contribution,--I think it was based on five percent. of the purse which went to breeders of horses on the tracks. Well I found, at least I felt, that many of these grants were going for breeding outside the province of Ontario, and we incorporated that into a grant of $20,000. to provide for purses for the winners of races, for horses bred here in the province of Ontario.

I could get my hon. friend (Mr. Nixon) the details of that, if he would like me to do so.

MR. NIXON: Some of these race-horse owners tell me they cannot follow the association on what basis they pay it out to the horse-owners. There does not seem to be any rhyme or reason in it.

MR. FROST: When I get this racing commission going, I will get to the bottom of all of it.

MR. JOLLIFFE: Is there any Estimate made with respect to the proposed racing commission and the costs thereof?

MR. FROST: Well, no, I cannot give an estimate at the present time, but I would say that perhaps our costs at the outset may be comparatively low. We, of course, will have to get a chairman for that commission, but it could be that the other positions will be more or less nominal. We will have to have a steward as well, and I assume that to start with they will perhaps use an organization which is in existance. I suppose they will.

MR. JOLLIFFE: What Department will it be connected with?

MR. FROST: Under myself. Right under that thumb, right there.

MR. A. A. MacLEOD (Bellwoods): Some thumb.

MR. FROST: Yes, some thumb.

MR. JOLLIFFE: Then the answer is very simple, the estimate would appear under this item?

MR. FROST: That is right.

MR. JOLLIFFE: I would like to ask the hon. Provincial Treasurer (Mr. Frost) what is the reason in the main, or to what does he attribute the increase in the Estimates for salaries in the main office? Is there some added responsibility or is it the result of increases? The increases, I think, from $149,000. last year to $165,000. this year.

MR. FROST: Well, due to the extent of the work of the Corporation Tax Branch, from which we receive $65,000,000. in revenue, there is an expansion of staff there, quite a considerable expansion in fact.

MR. JOLLIFFE: Is that under the main office?

MR. FROST: Yes. Is it not?

MR. JOLLIFFE: No, that is under the Controller of Revenue, where there is, I may say, a stupendous increase in salaries, but we have not got there yet.

MR. SALSBERG: Mr. Chairman, while the answer to my colleague's question is being prepared, I would like to appeal to the hon. Provincial Treasurer (Mr. Frost) to reconsider -- I will wait until he listens.

SOME hon. MEMBERS: Oh, oh.

MR. SALSBERG: That is all right. Go right ahead. I will wait. I want to appeal to the hon. Provincial Treasurer (Mr.Frost) to reconsider the stand the government has taken until now in regard to making an annual grant to the William Lyon Mackenzie --

MR. FROST: Nobody has ever asked me for a grant for the William Lyon Mackenzie fund.

MR. SALSBERG: I am sorry to hear that. I think they should have.

SOME hon. MEMBERS: Oh, oh.

MR. SALSBERG: But Mr. Chairman, I think however the committee in charge of restoring that historic site is evidently mindful of the fact that many Tories still bear a grudge against the "Little Rebel".

MR. FROST: Oh, Mr. Chairman, let me say this --

MR. SALSBERG: Of course, if you are different, that is a different situation.

MR. FROST: I may say I am very sympathetic to historic sites.

MR. SALSBERG: Even revolutionary ones?

SOME hon. MEMBERS: Oh, oh.

AN hon. MEMBER: Perhaps not your kind, though.

MR. FROST: Mr. Chairman, we have a great deal of work to do, let us be sensible. I would like to complete this Department, and the Department of Municipal Affairs by eleven o'clock. I donot want to keep hon. members of this House sitting all night.

MR. SALSBERG: I am serious. Mr. Chairman, it is not two weeks ago --

MR. FROST: I just had a conference two weeks ago with hon. leaders of parties opposite to try to arrange opportunities to debate their Bills. Let us try to be reasonable and sensible.

MR. SALSBERG: Mr. Chairman, I would like to assure you and the hon. Premier (Mr. Frost) and hon. members of the House that I consider this a serious matter, or I would not rise to my feet. However, two weeks ago, the committee in charge of restoring that historic site found it necessary to go to the City of Toronto to appeal for some subsidy, or, they said, they will not be able to maintain this very important historic site.

MR. FROST: They have never been around to see me.

MR. SALSBERG: This is the only occasion I have to impress upon you the worthwhileness of maintaining this, and that this province should undertake to make a regular annual contribution. If the hon. Premier (Mr. Frost) is implying they are willing to do that, I am sure the committee will beat a path to his office before long.

MR. FROST: I have no intention of doing that. I have had advances at the present time in connection with the old officers' quarters at Penetang, the restoration of certain sites in Simcoe County; the fact of the matter is that those are local matters that --

MR. SALSBERG: William Lyon Mackenzie is not a local matter, I suggest. It had something to do with your native town. It started around there.

Vote No. 148 agreed to.

On vote No. 149.

MR. JOLLIFFE: I wonder if the hon. Prime Minister (Mr. Frost) would say a word about the change which has taken place here? There was an Ottawa office which has apparently been closed.

MR. FROST: I would say the Ottawa office was quite unnecessary. We did, back in 1945, feel it would be desirable to have an office there.

MR. JOLLIFFE: It was sometimes called the "Embassy".

MR. FROST: Well, quite unnecessary. That was closed up.

AN hon. MEMBER: Like the London office.

MR. FROST: The girl was brought down here to Toronto.

Hon. DANA PORTER (Attorney-General): At that time, it was a foreign country.

MR. MacLEOD: Just a short question. Has there been a second edition of the volume that was issued a couple of years ago? Will there be another one coming along sometime?

MR. FROST: I will enquire. I do not know.

MR. MacLEOD: It was rather an interesting document, if I remember.

MR. FROST: "I would mine enemy would write a book".

Vote No. 149 agreed to.

On Vote No. 150.

MR. F. O. ROBINSON (Port Arthur): Mr. Chairman, on Vote No. 150, I would again like to request this government to use its good offices under this Department to try to raise the standard of pictures shown on Saturday afternoons, when all the children go to the show.

MR. JOLLIFFE: Hear, hear.

MR. ROBINSON: It is my opinion, Mr Chairman, that the moving picture industry in this great country of ours is sufficiently healthy and that we have advanced far enough in this day when visual education means so much,that thought could well be given to arranging a definite series and type of picture that would be shown on Saturday afternoons, which would be much more suitable to the young people who go to the show in hundreds and thousands on Saturday than the run-of-the-mine picture that greets them today.

I realize it would take a little bit of organization and it is not my intention at all that a type of picture be shown which would not attract the young people, but I have seen pictures -- I can name one off hand, a picture called "So Dear To My Heart", shown not long ago, and which was an excellent picture for young people to see. My plea is not that we get right down to showing educational pictures which might be very dry for the young people, but there is a type of picture in my opinion which can be shown to the young people today which would provide good entertainment, and at the same time be of a much higher standard than many of the pictures shown today. I would appeal to the government to make some effort in co-operation with the moving picture industry to have prepared and shown on Saturday afternoons a definite run of pictures, chosen particularly for the type of audience they are going to be shown to, rather than the run-of-mine picture

such as greets the young people today.

MR. EAMON PARK (Dovercourt): May I ask the hon. Provincial Treasurer (Mr. Frost) what the stationery and printing $3,800., item is? It seems rather a large item for this particular branch.

MR. FROST: Well, I do not know. That item is up $500. from last year, I think that is a normal item. That is quite a big office. If my friend would like to go and see the motion picture branch out there, I would be glad to arrange an opportunity for him to go out and see the thing, together with any other hon. members interested.

MR. H. C. NIXON (Brant): Mr. Chairman, there is a new type of theatre becoming quite popular in the province, and that is the outdoor theatre.

MR. FROST: Drive-ins.

MR. NIXON: Drive-ins, yes. I think there are between 20 and 25 now in different parts of the province. I was wondering to what extent, and who is responsible for the location of these theatres. Do they have to get a permit from the hon. Minister of Highways (Mr. Doucett) as to their location?

MR. FROST: That is right.

MR. NIXON: Then who supervises the construction of them or passes on the plans?

Hon. G. H. DOUCETT (Minister of Highways): I might say, Mr. Chairman, they first get a permit from the Moving Picture Board, and of course they cannot build a theatre on a King's Highway without a permit from the Department of Highways, but if they are not on a King's Highway, then they deal with the municipality in which they are located.

MR. C. H. MILLARD (York West): Mr. Chairman, I might say to the hon. Minister of Highways (Mr. Doucett) whoever allowed that one to be put up right on the corner at Malton certainly snarled things up, when they let that drive-in theatre be built there, because it is going to be a very great hazard. They have to have several policemen there to direct traffic when the show is coming out.

MR. JOLLIFFE: And it is going to be a very busy highway.

MR. DOUCETT: That is not on a King's Highway.

MR. NIXON: They are all located within sight of a King's highway, and they do occasion a very great traffic hazard, it has been my observation.

MR. MILLARD: This one out here is on No. 27.

MR. JOLLLIFFE: Let us get this straight. The hon. Minister (Mr. Doucett) must know that the theatre referred to near Malton is on Highway 27, a very important intersection, a short distance from what is going to be one of the busiest airports in the country. Was there any thought at all given by anybody with any sense to the location of the theatre?

MR. DOUCETT: I will answer that, Mr.Chairman, I might say at the outset a few of the threatres got a permit from the Censor Board, and started building before the Department of Highways knew anything about it. In this theatre which I think you mentioned, their entry is not off the King's Highway. I am not sure, but I think that is right.

MR. MILLARD: No, it is worse. It is off the other road.

MR. JOLLIFFE: It is off the road leading to the airport.

MR. DOUCETT: Yes, but it is not on a King's Highway. We control within 150 feet of the King's Highway for all buildings, that is roads such as you are talking about,

and in the Act which I introduced today --

MR. JOLLIFFE: It is within 150 feet.

MR. DOUCETT: I beg your pardon?

MR. JOLLIFFE: This one is within 150 feet.

MR.DOUCETT: Is it?

AN hon. MEMBER: Did you measure it?

MR. DOUCETT: Herein we have an arrangement now that the Censor Board will not give a permit to any theatre until the Department of Highways has approved of it. That has been the policy for the last year or more.

MR. G. B. ELLIS (Essex North): Mr.Chairman, if I might, I will support the remarks of the hon. member for Port Arthur (Mr. Robinson) in respect of censorship of types of films shown to children,and I would like to go even further and suggest that not only should we be particular about the type of film shown to children in Ontario,and Canada as far as that is concerned, but we also should be particular as to the character of the actors and actresses who take part in them.

Hon. DANA PORTER (Attorney-General): Do you go that far in Windsor too?

MR. ELLIS: We have a moral town down there. We do not allow those pictures in Windsor.

SOME hon. MEMBERS: Oh, oh.

MR. ELLIS: I am referring to Toronto. I have reference to the Bergman incident and that type of so-called movie actress or other sort of scandalous character that pervades these pictures. I feel definitely we should not place a premium on the names of these characters of American films that are being shown in this country and definitely, if we are going to do any censorship at all, I think that censorship should apply to that type of loose moral characters who are presented

to Canadian audiences as the cream of Hollywood. We know now that after the recent Bergman incident, they are producing a picture which probably will be, if allowed to be shown in Ontario and Canada, attracting great audiences because of the characters that are involved. I say definitely if we are going to have a board of censorship for our moving pictures, it should definitely not only censor the picture, but should also go so far as to censor the actors and actresses involved.

MR. DUNBAR: Will you have the Police Commission investigate?

MR. PORTER: The Police Commission will investigate that.

MR. MacLEOD: Mr. Chairman, have there been any changes in the Censorship Board since we last met?

MR. FROST: No.

MR. MacLEOD: I wonder if the hon. Provincial Treasurer (Mr. Frost) has given any further consideration, to a suggestion I made last year that we should try to involve some of the outstanding citizens of this province in the work of this Board? Frankly, I think we are facing a problem.

MR. FROST: We have really gone quite a long way in that direction. It is, of course, an honorary capacity, but we have a very wide circle of people who are interested in that Censor Board, and sit in, in an honourary capacity in the censoring of pictures. I could give my hon. friend (Mr. MacLeod) the name of some fifty people who are on a panel of that sort, who sit in on the censoring of pictures and advise, and so on.

MR. MacLEOD: That is very interesting, but I think the

people of this province would be very much interested in getting the reaction of the members of this panel to the sort of thing that is being flashed on the screens of this province, not only for children, but for adults as well. I am frank to say that the stuff that is being put on the movie screens of Ontario today is certainly low-grade, very low-grade, and it really is a shame that the people of a province like this have to look at --

AN hon. MEMBER: They do not have to look at it.

MR. MacLEOD: -- the kind of stuff Hollywood is pouring into the province of Ontario and the Dominion of Canada. I would like to see the censorship board and the members of this panel you speak of, from time to time pass judgment on these pictures by issuing a public statement calling attention to superior pictures when they come along. There are some very excellent pictures being shown in Ontario, most of which come from England and Italy, and from some of the other European countries.

AN hon. MEMBER: Russia?

MR. MacLEOD: It is only very rarely that we get a distinguished and outstanding picture from Hollywood. When the Stromboli business came up here a few months ago, there were a lot of letters in the press, and I would be very interested to know what decision has been made by the Censorship Board on this particular picture, and have they passed it or rejected it?

MR. FROST: We have not had it up for censorship. My hon. friends know, I think, that our Board is a very efficient one. We try to censor the pictures as carefully and as meticulously as we can, but when it comes to a matter of censoring the morals of the actors I must admit that is somewhat

beyond the scope.

MR. MacLEOD: Oh, yes.

MR. FROST: That presents great difficulty. It is impossible. I would say with respect to the Stromboli picture,when it comes up it will be viewed by an outside panel of people, and I would say in answer to my hon. friend, the member for Windsor (Mr. Ellis) the thing we will be most careful about is the type of advertising in connection with that picture. I saw some advertising in some of the American magazines which I thought was highly offensive under the circumstances, and I assure my hon. friends we will "clip the wings" of them; if the picture is passed -- and I am not saying it will be -- it will be submitted to the panel and given a most thorough going-over and the advertising will certainly be very, very rigorously censored.

MR. MacLEOD: Mr.Chairman, in referring to Stromboli I am not in any way suggesting it should be banned because of the unfavourable publicity in connection with the leading lady of the film, because if we are going to start censoring the private lives of the actors and actresses, I do not suppose many of the films will be able to make the grade.

SOME hon. MEMBERS: Oh, oh.

AN hon. MEMBER: It is a "lousy" picture, anyway.

MR. SALSBERG: And writers.

AN hon. MEMBER: And many hon. members.

MR. MacLEOD: But I do want to emphasize again, that it would be a good thing if a board which is maintained by the taxpayers' money would do something more than just have a screening in a projection room, and say: "Well, it is o.k., let it go". I think they should tell the public from time to time, even at the end of a year -- at the end of a year,

publish a list of five or ten films which in the judgment of the Board constitute the most outstanding films of the year. I think we should do something in the province of Ontario to indicate to Hollywood just what the tastes of the people of Ontario are with respect to these films. Do you not think that is sound?

MR. FROST: Yes, I do. There is good merit in that.

MR. MacLEOD: I do not care whether it is done by the Censorship Board or by the panel of distinguished citizens you speak of.

MR. PORTER: Perhaps a committee of the hon. Legislature.

MR. MacLEOD: A Select Committee of the Legislature, under the chairmanship of the hon. Minister of Municipal Affairs (Mr. Dunbar).

MR. DUNBAR: That is the stuff. Everything would be out.

MR. L. E. WISMER (Riverdale): Mr.Chairman, I would just like to ask a question in respect to the travelling expenses. I notice there is an increase here from $6,000. to $7,500.

MR. FROST: Well, of course, we have inspectors who travel.

MR. WISMER: I know, that is what I mean.

MR. FROST: We try to make the most careful inspections of theatres throughout the province, and I would say that as a result of certain events in this city in the last while, we have re-doubled our efforts in that regard. It costs money to travel nowadays.

MR. WISMER: I raised this question because previously there was some question as to whether the inspectors were getting around often enough. I was wondering if there had been any additions. Have there been any additions to the inspection staff?

MR. FROST: No.

MR. JOLLIFFE: What is the relationship between these inspectors and the Fire Marshal?

MR. FROST: Well, we try to tie them in very closely, in fact we have them working together, and we have cross-inspections and so on. I would say I am most anxious to bring about a co-ordination of effort on the part of inspectors of all branches. Sometimes we find unless there are cross-inspections, there are areas which are not inspected. That happens. We are doing everything possible to avoid it.

MR. W. DENNISON (St. David): I am told the regulations of the Cineograph Act which I believe it is the duty of this Department to administer, require all scenic effects or scenery or curtains and so on to be flame-proofed. A man who was in the flame-proofing business some weeks ago informed me that theatres are just not doing it in some parts of the province.

MR. FROST: If my hon. friend (Mr. Dennison) would give me any particulars of that, we will certainly look into it. If he has any particulars, would he give them to me?

MR. PORTER: Introduce us to your friend.

AN hon. MEMBER: Write us a letter.

MR. DENNISON: He informs me the regulations are there; he says it is the Fire Marshal who should do this inspection and not this Department at all. Naturally, he is interested in the business of flame-proofing, but if the regulation is there, it must be there for a purpose, and it should be enforced.

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MR. JOLLIFFE: Mr. Chairman, on this vote, as the hon. Treasurer (Mr. Frost) may have noticed, there is a large increase for salaries, such a large one that I think he should be able to give us the reason for the increase. Last year it was $490,000.; this year it is more than $600,000.

MR. FROST: That comes out of the great difference in the Corporation Tax branch, and the growth of the companies, and the collections were very great.

One of the things which hampers us is the matter of room. We are hopeful of erecting a Treasury building across the road, which will provide what is very badly needed in our service, that is, up-to-date machines, and things of that sort, which will add to the efficiency of the service generally. We are very much hampered by the crowded conditions.

MR. JOLLIFFE: I do not doubt that for a moment, but this is an increase in one year of between 30 and 40 per cent, and surely there must be more to it than just to say you are crowded for room.

MR. FROST: There is also the matter of Hospital Tax, in that item.

MR. MILLARD: On Item No. 2, there is approximately a one hundred per cent increase. It is up from $22,000. to now about $43,000.

MR. FROST: That is due to the increase in service in the matter of travelling and auditing books of firms on the road, and getting things cleaned up. It is most desirable that assessments be made quickly, to keep up-to-date, and to avoid

When I went into the Treasury Department some years ago, due to the war conditions and other things, there were

very large arrears. Now an effort is being made to organize the staff to keep abreast of them, and give people service, and also keep the revenue of the province up-to-date.

MR. MILLARD: There is another item, "purchase of equipment", which is up over fifty per cent.

MR. FROST: Due to the automatic machines.

MR. MILLARD: And printing and stationery has gone up two hundred per cent. What is the reason for that?

MR. FROST: I have explained that to the hon. members.

MR. BROWN: I still cannot understand the increase in travelling expenses, because the services of the Federal government are still available to the provincial government, in the matter of passes. I know the final figures for corporations for the Federal Department of Tax Revenue is submitted to the Controller of Revenue --

MR. FROST: The hon. member (Mr. Brown) should know, that this is also the transfer to this department of the Hospital Tax administration, for inspectors, and so forth, who are engaged in that work as well. I can assure the hon. members there is no possibility of doing it for less than $43,000. If it is possible, we will do it.

MR. NIXON: What about item No. 4, "legal valuations", $15,000."

MR. FROST: An increase of $1,000. over last year.

MR. NIXON: That is in the employment of outside opinions?

MR. FROST: Succession duty valuations.

MR. NIXON: When the province makes a bond issue, you see they advertise "subject to the opinion of some law firm".

MR. FROST: They pay for that themselves.

MR. NIXON: They never used to. I know that.

Vote 151 agreed to.

On Vote 152.

MR. DENNISON: I wonder if the hon. Premier (Mr. Frost) has considered extending the savings offices, and making new branches throughout the province, to make the Ontario Savings Office a real bank?

MR. FROST: That has been discussed here many times. It is a question of the value of money, and what you can get. If there was a possibility of going into a place and opening an office, and getting sufficient deposits to keep the cost of money at about two per cent, that would be all right. But if it runs over that, it is not very desirable. It is "hot money"; it is subject to withdrawal without notice. Perhaps there is a certain permanency to it, but it is still "hot money", nevertheless.

MR. DENNISON: May I ask if some of the debt of the province is represented in the savings office, and is it provided with the lower interest rates?

MR. FROST: It all depends on the way you figure that. It is money which is subject to withdrawal without notice. I would say the position we are in now, with eighteen branches, and with the deposits we have, we are doing all right; but at the same time it is arguable.

MR. DENNISON: Would it not be a sensible provision to enable these provincial saving officers to carry business accounts, as well as savings accounts?

MR. FROST: We cannot, by the Constitution. That is a Federal matter entirely.

MR. DENNISON: Could you not request a change in some of those conferences you are now having on such amiable terms with the Federal authorities, that they give the provincial

savings officers the right to do what any chartered bank is doing?

MR. FROST: I will take that into consideration.

MR. NIXON: What are the deposits now?

MR. FROST: $66 million.

MR. WISMER: What is the Constitutional authority? You said there was a constitutional bar.

MR. FROST: There is the British North America Act.

MR. WISMER: You could have a charter for that bank?

MR. FROST: No.

MR. WISMER: A Minister of Finance, by the name of Dunning, offered it to some of the provinces, under that same Constitution.

MR. FROST: Well, if you say so, it must be right.

Vote 152 agreed to.

On Vote 153.

MR. NIXON: I would like some explanation of the Sandwich, Windsor and Amherstburg Railway, $143,000. statutory payment for this year. Did we not make some settlement last year by which they would look after their own payments?

MR. FROST: That is certainly my recollection.

MR. NIXON: Are we going to be stung for all time with this?

MR. FROST: A cross-entry, they tell me.

MR. WISMER: The same cross-entry last year.

MR. MacLEOD: That makes it a doublecross.

MR. FELL: Would the hon. Prime Minister (Mr. Frost) give some explanation as to the $6,500. statutory sum for education?

MR. FROST: Some old school debentures of some sort, an old deal of the Mowatt government, or something of that sort.

MR. FELL: I would like to know what that means. A lot of us are interested in any expenditures for educational work. I was not alive when the Mowatt government was in power,

and I would like to know about it now.

MR. FROST: I will get that information for my hon. friend (Mr. Fell) and give it to him. This was a tile drainage debenture issue, an amount to the Windsor and Sandwich Electric Railway. These are items which are cleaning up things which probably will be with us for some years. However, I will get the information for the hon. member (Mr. Fell) on that.

MR. JOLLIFFE: Why do they have to go up? We had an answer with reference to an old railway item earlier in the estimates. It was up by $4,000. This is also up from last year. If these merely represent cleaning-up historical sites, why do they keep going up?

MR. FROST: They tell me we guaranteed some school debentures in 1930, and are stuck with them.

MR. MacLEOD: Mr. Chairman, since we are just about to write finis to this department, has the hon. Prime Minister (Mr. Frost) an answer to my question?

MR. FROST: No, but I will give you that answer separately. It will be prepared for you.

MR. MacLEOD: It is not confidential information?

MR. FROST: Oh no, no.

MR. NIXON: I am still not satisfied about that item for the Sandwich, Windsor and Amherstburg Railway. You say it is a cross-entry. That does not mean a thing to me. Cannot the hon. Treasurer (Mr. Frost) make it a little more clear to those of us who are not auditors nor accountants, nor anything of that sort? Does the province pay that money out?

MR. FROST: I will get you the information on that.

MR. DUNBAR: It is the amount which each municipality has been paying on their debentures, Sandwich East and Sandwich West, and when a settlement was made, and Windsor took over the

Sandwich East Railways, we had to refund to the municipalities the amount they had paid in. That was the agreement we had made.

MR. JOLLIFFE: How long does it go on?

HON. WM. GRIESINGER (Minister of Planning and Development): You passed the Bill last year; it is too late now.

MR. JOLLIFFE: The question is, how long does this go on, and irrelevant remarks from the second row do not help a bit.

There is an item here in the estimates for 1950 - 1951, and I am asking how long this will continue. It is no answer to say, "It is all paid".

MR. FROST: I would say we went into that with the greatest detail last year. If the hon. member (Mr. Jolliffe) wants a detailed explanation of that, I will be glad to get it, and explain it to him. The Treasury officials tell me that this $6500. is a guarantee we made for the township of Merritt, with which we got stuck, back in 1930.

MR. JOLLIFFE: This goes on for another four years, then?

Vote 153 agreed to.

MR. FROST: Department of Municipal Affairs, page 73.

HON. GEO H. DUNBAR (Minister of Municipal Affairs): Mr. Chairman, I believe it would be in order if I give a little explanation regarding a statement made by the hon. Leader of the Liberal group in this House (Mr. Oliver) when he was making his speech in reply to the Speech from the Throne.

He, in his thunderous way, and melodious voice, almost made the rafters ring, when he held a receipt up and said the municipalities were losing their local autonomy. He said he received the receipt on a Saturday night when he returned to his home, and written across the top of the receipt was "approved by the Department of Municipal Affairs". I think it is funny; I have been minister of that Department for seven years,

and I have never heard of anything like that before, I said, "I am going to search for it".

I searched for it, and I found it, and I found that in 1939, the hon. Eric Cross, when he was Minister of Municipal Affairs, got out a book, and in that book he gave the forms of all the different papers, and this is what he says -- I will read only a few words:

> "Although certain forms are illustrated, any municipality whose present record supply for information supplied in the manual is not exhausted, need not discard them. It is hoped, however, that the municipalities will use the form suggested, as a province-wide standard."

That was in 1939, before poor Dunbar ever thought that he would Minister of Municipal Affairs.

MR. SALSBERG: But he had hopes then.

MR. DUNBAR: I thought there was a time approaching when the hon. member for Grey South (Mr. Oliver) would force us to the country.

If there is any information any hon. member requires regarding the estimates, as we go along, I will be very glad to supply it to the House.

There are not very many changes. We, of course, in our department, always like to co-operate with the municipalities. We do not act in a dictatorial manner at all, but we like to assist, and we have different branches in the department which have been, I think, supplying assistance which has been appreciated by the representatives of the municipalities.

I would just like to give you a statement of how the debenture debt of this province stands at the present time. We sometimes hear the fear expressed that perhaps because of the current heavy capital expenditures by the municipalities, and many

services given because of increases in population, their debentures and their debenture debt is becoming too high for safety. This fear is not founded on fact, at all. In 1948, it had been reduced down to the low -- comparatively low -- figure of $242 million. That shows a reduction from $168. per person in 1932, to $69. per person in 1948. I think that is a very credible showing, for the municipalities, for which I take no credit at all. It is good work the municipalities are doing, and our officials are glad to assist them.

I had some information I was going to give here but seeing that some of the hon. members opposite me have had so much experience in municipal affairs -- they may not be just as old as I am, but they have had a lot of experience -- or they think they have, and they seem to think it is quite funny, when they are talking about debentures debts, because I suppose that the only experience most of them have had with debt, has been for a pair of shoes or a suit of clothes --

MR. JOLLIFFE: Is that the suit of clothes the hon. minister (Mr. Dunbar) lost in the 1948 election?

MR. DUNBAR: I mean the party opposite me now.

MR. WISMER: Do you want to go home tonight, Mr. hon. minister (Mr. Dunbar)? If you do, take back that question.

MR. JOLLIFFE: We were looking forward to hearing a few words from the hon. minister (Mr. Dunbar) on his estimates, which he appeared to be willing to give us.

MR. DUNBAR: You will not hear them. You can ask any questions.

MR. JOLLIFFE: We regret very much not hearing from the hon. minister (Mr. Dunbar) now. What we particulary regret is reference to losing his suit of clothes. That was when he lost his wager, in 1948.

MR. DUNBAR: Yes, and I paid it; which is more than you did. You did not pay your fine down at Belleville.

SOME hon. MEMBERS: Oh, oh.

MR. NIXON: I think the rest of the House is entitled to the information about this wager in the loss of a suit of clothes.

THE CHAIRMAN: Order.

On Vote 125.

MR. J. B. SALSBERG (St. Andrew): Mr. Chairman, I am sorry that the hon. minister (Mr. Dunbar) closed on that uncalled for note. I am sure all hon. members of this side, as well as on the other, would be thankful for any enlightenment he had to give on this question, because while I disagree with the hon. minister (Mr. Dunbar) from time to time, I think him a person who has a great deal of knowledge of municipal affairs, and I am really surprised, and taken aback, that he so abruptly finished what started out to be a very interesting opening address in regard to his department.

Perhaps in the question period we can get back on the track in the proper way.

I would like to ask the hon. minister (Mr. Dunbar) before going on with the first vote, what would he be prepared to say with regard to the request made to the Cabinet by the Ontario Federation of the Trades and Labour Congress in Canada, with regard to the company towns?

THE CHAIRMAN: On what item are you?

MR. SALSBERG: The item which the hon. minister (Mr. Dunbar) introduced a moment ago.

MR. FROST: The hon. minister (Mr. Dunbar) is preparing to answer the question.

THE CHAIRMAN: Company towns are not in connection with the estimates.

MR. SALSBERG: This is regarding the estimates. It is definitely in the main office.

SOME hon. MEMBERS: Oh, oh.

MR. SALSBERG: Mr. Chairman, I wonder if the hon. minister (Mr. Dunbar) is prepared to say anything about that. I think it is a serious question. I do not want to develop it; I do not think it is necessary, but there is a great section of the population of this province who regret the fact that company-dominated towns are still in existence. The great body of organized labour --

THE CHAIRMAN: That has nothing to do with the estimates.

MR. SALSBERG: Oh yes, it has. It has to do with the policy of the department, and I am asking if the hon. minister (Mr. Dunbar) cares to answer a question of that kind. I think he is ready to answer, if the chairman will give him the opportunity.

MR. DUNBAR: In seven years I have been here, there has never been a company town formed. I never heard of any being formed.

MR. WISMER: What was Marathon called?

MR. DUNBAR: Oh, wake up. That is an improved district, not a company town. We have not had a company town organized for years.

MR. SALSBERG: But there are company towns still in existence.

MR. DUNBAR: Yes, but if you go there you will find the people very happy.

MR. JOLLIFFE: Why should the hon. minister (Mr. Dunbar) favour that kind of government?

MR. DUNBAR: I said I never had anything to do with

forming one. I would not like to let you inside my head, too much.

MR. MILLARD: There is nothing in there. There is lots of room there.

MR. DUNBAR: You may think so. I thought so, after you made that silly speech the other day.

SOME hon. MEMBERS: Oh, oh.

MR. DUNBAR: I wondered what they were paying you for.

THE CHAIRMAN: Order.

MR. FELL: I would like to speak on this Vote 125, and I would like to say that I am thrown off the track. I have been watching the hon. Minister of Municipal Affairs (Mr. Dunbar) because he used to occupy my seat, and I have been watching him very closely, and picking up a great deal of technique, but now I do not know where to go from here.

However, to go on in regard to Vote 125 (9), it reads:

"To provide for payment of a subsidy to certain municipalities as may be directed by the Minister of Municipal Affairs, $834,000."

I cannot find what I am looking for anywhere else in the estimates. If there is a provision in there for subsidizing a municipality for the establishment and maintenance of such things as summer camps for children, in certain municipalities --

MR. DUNBAR: No, nothing.

MR. FELL: There is nothing in your department?

MR. DUNBAR: No.

MR. W. L. HOUCK (Niagara Falls): Mr. Chairman, in Vote 125 (5) how many of these municipal schools you have been conducting do you expect to continue conducting this year, or do you expect to continue conducting them at all?

MR. DUNBAR: Yes, we do. We had twenty-five schools last year conducted throughout the province, and we had as high as 92 elected representatives attending the schools. We had 25 of them last year. They were very, very successful schools, on the different Acts, and assessment, and everything pertaining to municipalities. We have been asked to have even more schools this year, and we are going to do that.

MR. DENNISON: I would like to say this to the hon. minister (Mr. Dunbar). In item No. 9, of vote 125, that item of $834,000. apparently is a new item this year. I do not believe that item was in the estimates last year. When you withdrew the one mill subsidy, you substituted last year the specific subsidy under the Police Act, and under the Fire Departments' Act. Apparently this is another subsidy being brought in. While this may apply generally to municipalities, it will be administered, "as may be directed by the Minister of Municipal Affairs".

Then, on number ten, another $50,000., "as may be directed by the Minister of Municipal Affairs".

It seems to me the Legislature should not be asked to grant lump sums of money, or give what are sometimes called "blank cheques" to the minister, unless he stands up and tells us what policy he is going to follow. I wonder if he would do that now.

MR. DUNBAR: When you consider the Police Act and the Fire Departments' Act, that has to be on percentage, according to population, new equipment, and so forth. But, in regard to the vote to mining municipalities -- if you have that also in mind -- that is according to need, and we have entered into a five-year agreement for certain percentages to pay to the different municipalities in the mining area. Municipalities like Kirkland Lake, for instance, -- it was entitled to 15 mills

from the Mining Profits Tax, and we supplemented that by another 15 mills, because we felt they were in need of that, so we are paying them double the amount.

This year, if you will notice, it dropped a few thousand dollars, because they had received that much more as their share from the Mining Profits Tax. Therefore, we had that much less to give them, to bring it up to the maximum.

I must say I have had very little difficulty in settling these things with the different municipalities. In fact, I never had any trouble at all.

MR. DENNISON: You would not use it around election time.

MR. DUNBAR: No, we paid each year. I, being a little bit of a politician, might be inclined to follow your advice, but the hon. Premier (Mr. Frost) would not stand for that at all. If I had my way, I might carry it for two or three years, and then pay it all in a lump sum the day before election, or perhaps I should say a week before the election.

MR. C. H. TAYLOR (Timiskaming): I think this has gone about far enough. The hon. minister (Mr. Dunbar) said these were all by agreements for five years. Am I not correct in saying that the Sudbury agreement is for ten years, $100,000. per year? That is what the press said at the time Mr. Drew made the statement.

HON. GEO. H. CHALLIES (Minister without Portfolio): Five years, to be renewed at the end of five years.

MR. TAYLOR: The hon. minister (Mr. Dunbar) said these were in accordance with need.

MR. JOLLIFFE: Election need.

MR. TAYLOR: Apparently so. May I say that Cobalt is in need, worse than Sudbury. The horse has been stolen, and we have been trying to lock the stable door, but it is too late.

We still have to provide these services for the people living outside of the towns.

AN hon. MEMBER: Who is the mayor up there?

MR. TAYLOR: You just keep quiet, or you may find out who the hon. member is from your riding. I understood this was for the purpose of paying for the services which the hon. minister (Mr. Dunbar) created. We are servicing all the employees of the Silver Miller mine, and other mines up there, which are in areas outside the communities, but they still have to use our systems and services. I have asked this question before of the hon. Treasurer (Mr. Frost), what was the system used, for example, in arriving at a figure of $100,000. for Sudbury?

(Take FF follows)

I am not complaining that Sudbury is getting too much or that any one of them is getting too much; in fact, none of them is getting enough. The hon. member for Cochrane South (Mr. Grummett) raised this issue the other day in a plea for the taxing of mining municipalities the same as other municipalities, and I am heartily in accord with his views expressed at that time. But when the hon. Premier (Mr. Frost) was asked this question last year, he said, oh, he just thought $100,000. was a fair amount. Well, what thought had been given to a fair amount for the best old town we know, the place that really created this town down here --

MR. A. A. MacLEOD (Bellwoods): Jack Munroe, too, was Mayor.

MR. TAYLOR: Surely to Heavens we are entitled to some consideration. I know the hon. Minister (Mr. Dunbar) will jump to his feet and say: "But you had a big fire a few years ago and we gave you $5,000. and you never even said 'thank you' for it".

SOME hon. MEMBERS: Hear, hear.

MR. TAYLOR: That is going to be the argument advanced.

MR. FROST: Well, that is right.

MR. DUNBAR: Now, just a moment.

SOME hon. MEMBERS: Oh, oh.

MR. TAYLOR: Are we entitled to this, or are we not?

MR. DUNBAR: No.

MR. TAYLOR: We are not entitled and we are not going to get it, is that the answer?

MR. DUNBAR: No, and I instructed my deputy today that on account of your clerk and deputy being down here to see me, that we had $5,000. left over and to send that to Cobalt, now in the face of what you said, how can I allow that to go to Cobalt?

SOME hon. MEMBERS: Oh, oh.

MR. TAYLOR: In other words, you were not impressed with my plea of need, but last year you were impressed with the political significance of it.

MR. PORTER: You are talking yourself out of $5,000.

AN hon. MEMBER: You are talking yourself out of a lot of "dough".

MR. TAYLOR: Where did that come from?

MR. DUNBAR: I might say to the hon. member for Nipissing --

MR. TAYLOR: It is Temiskaming in case you --

MR. DUNBAR: For Temiskaming, I mean to say, that in the agreement which I made covering five years, Sudbury was not included. That was prior to Sudbury getting the grant. I was dealing with the other municipalities, and it is the Township of Teck, Township of Tisdale, Matchewan, Timmins, the improved district of Beardmore, the Town of Geraldton, the Town of Larder Lake, the town of McKim, the improved district of Atikoken, those are the ones we had the agreement with.

MR. TAYLOR: All for five years, are they?

MR. DUNBAR: For Five years, yes

MR. TAYLOR: And is this $5,000. you pulled back here the last five minutes for five years, too?

MR. DUNBAR: No.

AN hon. MEMBER: Five minutes.

MR. TAYLOR: Oh, a five minute grant, was it?

MR. DUNBAR: You know the old saying, "Now you've got it, now you haven't."

MR. H. C. NIXON (Brant): Well, Mr. Speaker, I would suggest in all seriousness that this is really a most novel way of distributing funds to the municipalities.

MR. JOLLIFFE: Hear, hear.

MR. NIXON: That the hon. Minister (Mr. Dunbar) can say: "I have got $5,000. left, and here it is". Cannot this be reduced to some basis by which an Act can be passed in this House by which these different municipalities will know what they earn, and not simply be handed out on the whim of the hon. Minister (Mr. Dunbar)?

MR. DUNBAR: We do.

MR. NIXON: If it is, it has reached the point of absurdity.

MR. DUNBAR: You know better than that. You know the town of Cobalt is not earning anything in mining tax profit, not at all. Anything given to them is a gift. I do not say we should not do something, but they are not earning one cent for the province so far as mining tax is concerned.

MR. MacLEOD: But they earned an awful lot while they were earning.

MR. DUNBAR: They might be in a few years -- yes, and they spent a lot in those days, prior to my hon. friend's (Mr. MacLeod) time. He knows it. We all know it. I lived there also with the gold growing on the trees at the time, all you had to do was pick it.

MR. TAYLOR: It was silver when I was there.

MR. DUNBAR: No, they turned the money into gold. However, we did not do that just as my hon. friend, the member for Brant (Mr. Nixon) said. We had the representatives there of these mining municipalities in my office, and we agreed, signed an agreement on this amount of money for five years.

MR. ROBINSON: On what basis?

MR. DUNBAR: Not a hit-and-miss agreement at all.

MR. EAMON PARK (Dovercourt): What was the yard-stick?

MR. TAYLOR: If I might speak again on this, the hon.

Minister (Mr. Dunbar) is quite correct so far as revenue to the province of Ontario is concerned, as I said awhile ago, but here is the story so far as Cobalt is concerned. You have got all the pickings from there, the province got their share before this system was set up, but I think you will agree with me, Mr. Minister (Mr. Dunbar) that the argument advanced by all these municipalities and particularly the town of Sudbury was not from the angle of the amount of revenue we are producing that you are getting, it was from the amount of cost that this industry creates on that municipality, in other words, the town of Sudbury had to provide the services without any taxation.

MR. MILLARD: Without the revenue.

MR. TAYLOR: Without the revenue, and it was to compensate the town of Sudbury and these other mining municipalities for the services that they provided because the mines, being there, created that need. That was the argument in all the brief presented by the mining municipalities, and the hon. member for Cochrane (Mr. Grummett) used the other day the argument that the mines should be taxed the same as any other industry, and if they are not going to be taxed, then this grant should not be on the basis of the revenue you get from them, but from the cost that they put on the municipality because of their failure to provide their own services.

MR. DUNBAR: You will notice as you go along in these Estimates, that we are providing for some district assessors, and we are very anxious that they go into these mines and tax the buildings, to see if we cannot come to some better agreement. However, we did send two men up to the mining towns, and they made a survey and estimated, which I did not agree with. If I had agreed with these two experts,

whom I sent up there, I never would have entered into the five year agreement because they said they were receiving too much money because if they were assessed on the same basis, industry would be assessed in southern Ontario, they were getting more than they would be assessed in southern Ontario, because machinery is free and you know mining buildings do not amount to very much, they put up just shelves to cover the machinery, so that if I had followed the advice given me by those experts whom I sent to the north country, every one of those mining municipalities would be receiving less money today, but I did not agree with them because I thought the need was there and they should have the money. Therefore, I called them together and made an agreement which I think is quite satisfactory both to those mining municipalities. Of course, it could not be, you know we --

MR. TAYLOR: Well, your friend Ann Shipley did not like it.

MR. DUNBAR: Well, all right, we gave her $71,557.28 more than she was entitled to from her share of the mines' profits taxes.

MR. JOLLIFFE: Oh? By what standard?

MR. TAYLOR: That is ridiculous.

MR. DUNBAR: Why is it so ridiculous? I have got the figures there.

MR. TAYLOR: I mean you are approaching the thing from the absolute opposite angle, altogether, from a municipal angle and the mining angle.

MR. DUNBAR: I say that is why we are appointing assessors for the north country. We want them to go in there and assess the buildings and demonstrate to those people there that they are getting more money under this system than they would if

they were assessed the same as they would be in Pickering, London, or any other place in southern Ontario.

MR. PARK: Assessing the land?

MR. DUNBAR: That is all.

MR. JOLLIFFE: Mr. Chairman, there is an important point in principle involved in this vote, and I want to put it very seriously to the government and this Committee, and when I do so I assure you that there is absolutely nothing personal about it, because I have the greatest admiration for the hon. Minister (Mr. Dunbar), both when he is happy and when he is unhappy.

MR. DUNBAR: When have you seen me unhappy?

MR. JOLLIFFE: His explanations to this House are clearer than those of some of his colleagues on the front line there.

The point in principle is that here we have an item under Vote No. 125, an item calling for the payment, or estimating the payment of something approaching a million dollars -- it says $834,000. -- "as may be directed by the Minister of Municipal Affairs". I know this has been going on for some time; it has appeared that way in the Estimates, this is the third and possibly the fourth time it has appeared that way in the Estimates, but, Mr. Chairman, I protest to the government that this thing has got to stop somewhere, that it is highly improper and it is absolutely unsound in principle for this hon. Legislature to pass votes empowering any individual to distribute large sums of money as he may see fit.

MR. FROST: May I say to my hon. friend (Mr. Jolliffe) he is not so dense as he appears. My hon. friend (Mr. Jolliffe) knows this is the case: we had the northern municipalities down here --

MR. JOLLIFFE: Just a minute, now.

MR. FROST: Just a minute.

MR. JOLLIFFE: Just a minute. I had the floor. I had the floor.

MR. FROST: Well, keep it, then.

MR. JOLLIFFE: I am not going to stop my speech to be insulted by the hon. Prime Minister (Mr.Frost) just because he feels called upon to justify --

MR. FROST: Why indulge in a lot of silly blather like that? My hon. friend (Mr. Jolliffe) --

MR. JOLLIFFE: It is quite clear, Mr.Chairman, there is a good deal in what I was saying --

MR. FROST: Oh, nonsense.

MR. JOLLIFFE: Or the hon. Prime Minister (Mr. Frost) would not have been so quick to rise in his own defence.

MR. FROST: It has been explained to you in four different years, and now you get up with the same old talk again. For gracious sakes, change the record, or the needle or something.

SOME hon. MEMBERS: Oh, oh.

MR. TAYLOR: The needle is working all right.

SOME hon. MEMBERS: Hear, hear.

MR. TAYLOR: It is the record we are discussing.

AN hon. MEMBER: It is scratchy.

MR. JOLLIFFE: If the hon. Prime Minister's(Mr. Frost)conscience about this matter was clear, he would sit serenely confident and wait until I get through and then make a speech.

AN hon. MEMBER: You are all through now.

MR. JOLLIFFE: Instead of which he shows his uneasiness by failing to wait.

AN hon. MEMBER: He sat down.

MR. JOLLIFFE: What is the purpose of the Estimates? The purpose of the Estimates is to pass,vote by vote, and item by

item, the estimated amounts for certain specific purposes, and it has never been the practice, and certainly it would never have been endorsed by the hon. Prime Minister (Mr. Frost) when he was in Opposition, that we should set up throughout the Estimates discretionary expenditures, particularly when those expenditures can be made in ways that have important political significance, and nobody knows that better than hon. members of the government sitting over there right now, including the hon. Minister of Mines (Mr. Gemmell). Nobody knows it better than he does.

MR. FROST: Does my hon. friend (Mr. Jolliffe) knows the principle goes back ten years at the time my hon. friends were in power?

MR. TAYLOR: That does not make it any better.

MR. JOLLIFFE: Whether it goes back ten years or not, I would be interested to know from the hon. Prime Minister (Mr. Frost) whether he really thinks it is a sound idea that any hon. Minister, no matter how genial, no matter how conscientious he may be, does he think it sound an hon. Minister should be entrusted with the power to make hand-outs at his discretion?

MR. FROST: That is what I complain about, my hon. friend (Mr. Jolliffe) knows the hon. Minister (Mr. Dunbar) does not make "hand-outs" at all.

MR. JOLLIFFE: Then why did he mention a little while ago the $5,000.?

AN hon. MEMBER: He took it away.

MR. FROST: I would say this about the $5,000., that personally there might be some claim in the town of Cobalt, but the hon. member for Temiskaming (Mr. Taylor), every time we come to consider Cobalt, raises so many "red herring" that

so far as I am concerned, I will have no part of giving anything up there.

MR. JOLLIFFE: Exactly.

SOME hon. MEMBERS: Oh, oh.

MR. JOLLIFFE: You had a right to make a political decision.

MR. TAYLOR: That is exactly what I am saying.

MR. FROST: I will tell you the situation and what happened. Under the Mining Tax Act, when the mines were making in the north country plenty of money, the towns of Kirkland Lake and Timmins which have mines right within their boundaries, made a very great deal of money. Their taxes ran back about 1939, and 1940, to a very high level indeed, very much more than could have been realized from real estate taxation.

What happened then was with the coming of the war-days, gold not being treated as a war commodity and labour coming out from Kirkland Lake and going down to Sudbury and other places to work in other industries, the result the mining tax received from those places fell down very considerably. My hon. friends opposite to meet that situation, gave them a special grant, divided up a special grant of $100,000. back in 1942-43. I think that was the introduction of the special grant idea.

What my hon. friend the Minister of Municipal Affairs (Mr. Dunbar) and myself did was that two years ago we realized the unsatisfactory nature of that arrangement, we found it was a highly unsatisfactory arrangement for those communities, and therefore, we called them in and discussed their whole problem, and the fact of the matter was we set assessors into the north country to check over assessments in those localities, and we made this arrangement with them, that we

would in effect double the amount of their receipt under the Mining Tax Act from I think 15 mills -- I think it is a 15-mill assessment -- we doubled that to 30 on an annual assessment.

Now, if you take that on an equalizied basis in those towns, it would probably mean perhaps 60 mills on the dollar, if it was on an equalized basis. We at that time made this arrangment with them that we would subsidize up to that amount, but if their profits increased, then of course their profits would take up the amount, and we would not have to pay them that much money. I would say it was on a rational deal with every one of these municipalities.

We did find one or two cases where there was extreme hardship. One was in the city of Sudbury, where you have the great mines that are closely surrounding that town, hemming the town in, in fact, and you find that the people all live in the city, or very largely live in the city and go out to work in those mines which are in organized territory. The Mayor made this proposal to us; they asked for very much more money -- if you will notice, there is a reference in the Mining Report of 1943, I think, to the Sudbury problem -- we gave to Sudbury as a settlement on their arrangement to be reviewed at the end of five years $100,000. a year. I think they were asking $300,000.

My recollection is that in that arrangement we were getting about $200,000. mining tax from those mines that closely surrounded the city, and we gave it that in settlement. The yard-stick there was about a third of what we asked. I think we also gave a settlement to the town of Beardmore for the Little Long Lac Mine and some other mine just outside the boundaries of the town.

I am bound to say that with the town of Cobalt we have been quite prepared to discuss its problem, and we have done many things for Cobalt and that area, but we do feel if there is going to be any assistance in that community, there has to be some co-operation and perhaps some co-ordination of Coleman Township and Lorraine Township and that of the town of Cobalt itself, but actually speaking, there really is not any case for Cobalt as comparable with either Beardmore or the city of Sudbury.

I will say that perhaps I was a little bit harsh in reference to my hon. friend the member for Temiskaming (Mr. Taylor). With respect to the whole Cobalt area, there perhaps is a case for something in the form of an employment area or something of the sort there that might relieve that situation very much, and we would be very glad to discuss that problem and try to see if we can arrive at some sort of rational arrangement.

MR. TAYLOR: I wish to thank the hon. Prime Minister (Mr.Frost) very much for those last, and particularly for those concluding remarks.

MR. FROST: Well, I want to be very frank with my hon. friend (Mr. Taylor). I am most anxious to help the town of Cobalt, but I will say this, to be constantly "needled" and irritated by him with a lot of irrelevant remarks makes the thing pretty tough.

MR. TAYLOR: That is just the point. The hon. Prime Minister (Mr. Frost) said I drew "red herrings" across the trail. I would like to know what these red herrings were. I will tell you what the red herrings were in Cobalt. I sponsored the idea of Cobalt surrendering its charter and going back into the township, against the little Tory political

machine in Cobalt.

MR. FROST: There you are, I do not think there is a thing we get from my hon. friend (Mr. Taylor) that he will not get down in the gutter and throw mud.

SOME hon. MEMBERS: Hear, hear.

MR. FROST: If you want to talk business decently, we will talk business.

MR. JOLLIFFE: I directed a question to the hon. Prime Minister (Mr. Frost) a little while ago.

MR. FROST: I thought I answered it about four different times.

MR. JOLLIFFE: Is the principle of entrusting this matter to the discretion of any hon. Minister --

MR. FROST: It is not in discretion.

MR. JOLLIFFE: Instead of answering my question, the hon. Prime Minister (Mr. Frost) started attacking the hon. member for Temiskaming (Mr. Taylor). I would still like an answer to my question, if the hon. Prime Minister (Mr. Frost) is capable of giving it.

MR. FROST: If my hon. friend (Mr. Jolliffe) is capable of understanding. Perhaps he is not. I explained that we made arrangements with these mining communities, based upon double the mining tax, and we have paid them the amount over and above the amount of their mining receipts to make up to double the mining tax. That was the deal with them, and we made the deal for five years.

MR. JOLLIFFE: We have been over the history of the thing a dozen times. I am asking a very simple question, does the hon. Prime Minister (Mr. Frost) think it is a sound principle, under our constitutional practice, to go on inserting in the Estimates, year after year, an item to the effect that the

hon. Minister of something or other can pay out at his discretion as much money as he pleases?

MR. FROST: I have given you the answer. If you want to put your own interpretation on it, that is your business.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: Then I take it there is no justification for it, is that right?

MR. FROST: Yes, there is every justification for it.

MR. DUNBAR: There is every justification for it, certainly there is. How are you or any person else going to tell what the mines' profits tax is going to be in any of these municipalities? Therefore, when we put in what we thought would be sufficient, it may be greater, that is what happened this year, because the mines profits tax increased so that the amount we have been paying to the municipalities declined, and I had a small balance, something in the neighbourhood of $12,000., left over, and that is what I have spoken to my deputy about helping Cobalt out with that. That is how that surplus occurred. Now, I can give you --

MR. C. H. MILLARD (York West): It was only $5,000. a little while ago.

MR. DUNBAR: I said Cobalt now. Now, look here, you be fair. I said Cobalt, I did not tell them what the surplus was at all, I said: "out of the surplus", which we had.

It is not hit-and-miss, I can give you the figures. Would you like to have them for each municipality? What we paid them last year, and intend to pay them this year, what we expect to pay them?

MR. FROST: Oh, they do not want them; they just want to quarrel. I would not bother. They are not interested in any

business, all they are interested in is causing trouble and delay, that is all.

MR. L. E. WISMER:(Riverdale): We would get along faster if we had a new Prime Minister.

MR. DUNBAR: Are you going to listen?

MR. WISMER: Yes, we told you to go ahead.

AN hon. MEMBER: Do not sit there and mumble.

MR. DUNBAR: 1948, the township of Teck received from the mines profits tax $52,232.12, and we paid them $71,557.28 --

MR. WISMER: How did you arrive at that?

MR. DUNBAR: -- making a total of $123,789.40.

MR. WISMER: Mr. Chairman, could I ask the hon. Minister (Mr. Dunbar) how that $71,000. was arrived at?

(Take GG-1 follows)

MR. WISMER: May I ask a fair question. How was that $71,000. arrived at?

MR. FROST: I explained it to you, but you are too dense to understand it.

MR. WISMER: I am not asking you. I am asking the hon. minister (Mr. Dunbar). You said you were going to double the mining tax --

MR. DUNBAR: We guaranteed these people $123,770.40 and then when you deduct the amount of the mines profits' tax, we paid them the balance to bring it up to that amount.

MR. WISMER: That is the first time you have told us that.

MR. FROST: It has been told to you at least five different times.

MR. WISMER: I am not interested in what you have to say.

MR. DUNBAR: In regard to Tisdale; we paid them an amount to bring the total up to $100,833.10, which was the amount we had guaranteed them.

The town of Whitney, received from the Mines Profit Tax, $8,843., and we paid them $19,991., making a total of $28,834.

That, I think, is sufficient to show you how the amounts are made up. If their mines profits tax increases, the amounts we pay will decrease; therefore, we do not have as much to pay them. We might have a small surplus, but I do not see why there should be an objection, because, after all, it is good business to have a surplus. I am sure a lot of my Liberal friends in Prince Edward, would think they were very successful business men, if they could show a surplus every year.

MR. BAXTER: I should think so.

MR. DUNBAR: These amounts are increased this year. We did not have anything to do with the Police Act, and prior to this year, and the hon. Attorney General (Mr. Porter) paid out $1,358,796. This was transferred to our department, and we figure we will have to pay out $1,600,000. this coming year -- for the year 1950 - 1951.

The Fire Department Act; they paid out $1,350,193., and we figure we will pay $1,500,000. to the Police Departments this year.

The Children's Protection Act; paid out $697,767., and we figure it will cost us $800,000. this year.

The Homes for the Aged, their figure was $346,934., and we figure that next year it will be $200,000.

Last year we had guaranteed $400,000., which would make up the one mill subsidy. I figure $500,000. this year, which is the figure which will make it equal to the one mill subsidy.

So we will be paying out about $5,300,000. most of which we were not paying before. It is something new in our department.

This shows that the one mill subsidy for 1948 was $3,445,444., so the figure which was paid to the municipalities is increased to some extent.

Would you like to hear how the municipalities benefit? This shows they benefited to a total amount of $2,227,587.

MR. WISMER: Under what?

MR. DUNBAR: He says, "under what". He was not listening. I wasted all that time, and he says, "under what".

MR. FROST: Under the table.

MR. DUNBAR: He is the financial critic, listening to the figures, and he says, "under what".

MR. JOLLIFFE: Mr. Chairman, on that last figure,

what was the estimate for that item a year ago?

MR. FROST: That was in a special Bill which we passed.

MR. DUNBAR: Which one do you mean?

MR. JOLLIFFE: The figure you just quoted.

MR. DUNBAR: The figure of $2,227, 587., which we have paid out in the past, more than we paid out in the previous year,

MR. FROST: Under the one mill bussidy.

MR. WISMER: More than a one mill subsidy.

MR. DENNISON: If I may return to the $834,000. item again, would the hon. minister (Mr. Dunbar) have any objection -- if he does not feel like introducing a Bill and putting it in the statutes, in submitting these estimates, if he would lay on the table a schedule, that is being followed.

MR. FROST: He has given it to you.

MR. DENNISON: In a grant of this amount to the mining municipalities, -- in the estimates, he is asking for $834,000., and it should be not "as he may direct", but "as outlined in the schedule tabled in the House".

MR. FROST: I endeavoured to tell the hon. members opposite that we had made a deal with these municipalities in the mining areas, and endeavoured to tell you how it works out. The amount is put in the estimates in round figures, in the sum of $300,000., because we know that it will be approximately that sum.

MR. DUNBAR: Will this explanation be sufficient for you? In 1950 - 1951 our mining grants will be in the neighborhood of $300,000., and other subsidies guaranteed $538,000., that is how we make up the $834,000. That is not taking in the poliee and fire departments. In 1949, it was $800,000., so it is just $34,000. over what it was last year.

MR. DENNISON: Now, how were the other subsidies of $534,000. made up? In southern Ontario?

MR. DUNBAR: That is the smaller municipalities which would not have police forces or fire departments.

Vote 125 agreed to.

On Vote 126.

MR. BROWN: Is there provision in there for an anticipated increase in the membership of the Ontario Municipal Board?

MR. DUNBAR: Yes.

Vote 126 agreed to.

Vote 127 agreed to.

MR. FROST: Mr. Chairman, I do not like to hold the hon. members here. It is ten minutes after eleven, but I agreed with the hon. members of the Liberal group not to have a night session tomorrow night, and if we could possibly clear up the items of the Prime Minister's Department, and the Mining Department, I would like to do it, because I arrived at an arrangement with my hon. friends opposite in connection with Private Members' Bills, which will consumeat least two days, and I would like to make as much headway as I can on these items.

Office of the Prime Minister; page 76.

I will not make a speech on this.

MR. SALSBERG: This is the first time you have had a chance to do that.

Vote 135 agreed to.

Vote 136 agreed to.

MR. FROST: The Department of Mines, page 70.

On vote 118.

HON. W. S. GEMMELL (Minister of Mines):

Mr. Chairman, since this is the first time I have had the honour of presenting the Estimates of the Department of Mines, I feel it might be appropriate to make some broad observations in respect to mining in Ontario and more particularly to comment on the activities of the Department in relation to that industry.

The activities of the Department embrace an industty which, in the main, has its roots in Northern Ontario and which has been largely responsible for the development of that vast section of the Province. I wish to assure the members of the House that the opportunity afforded me to serve the people of Ontario in my present capacity is an honour I appreciate deeply.

During the course of his budget address to this Assembly, the hon. Prime Minister (Mr. Frost) told you that the value of minerals produced in Ontario last year set an all-time record. While final repoots will not be at hand for some weeks to come, the total will reach 315 million dollars or at least 20 million above the 1948 total, The 1949 production value for Ontario is more than one third the total for the whole of the Dominion.

This being the half-way point in the present Century, the Canadian mining industry is, in various ways, marking 50 years of progress and one of the points being emphasized is that since the turn of the Century the value of minerals produced is close to 14 billion dollars.... 14 billion dollars of created wealth poured into the economic lifeblood of this country. This is a very great accomplishment but I think it is a source of great pride for us to know that, of that great volume of created wealth, it is a source of great pride for us to know that, of that great volume of created wealth, Ontario has contributed over 42 percent or an amount approaching six billion dollars..to be exact,

something over five billion 700 million dollars. Our total production value in 1900 stood at about 60 million dollars, so that in the past 50 years our mineral production value has increased nearly 100 times.

I would like here, Mr. Chairman, to comment briefly on the tour of Northern and Northwestern Ontario arranged for the members of the Legislature last summer by the Department of Lands and Forests. I feel much was accomplished by this for it enabled many members to gain first-hand knowledge of our natural resources on which the very existence of the northern municipalities depends. The problems arising from the administration and development of our northern natural resources are complex and I hope that further tours of this nature can be arranged.

While it is quite true that our mineral production value stands at an all-time record, there is need at the present time for new mineral discoveries and to this end the Department regards its continuing geological surveys as of paramount importance. There is, as I said, need for new mineral discoveries because the great proportion of our production is from mines which have been established for some years, some of them for many years.

Of the 44 producing gold mines in Ontario, only eight have come into production in the past ten years, and six of these ten since 1947. The value of bullion from gold mines last year was, in round figures, 84 million dollars, but the eight mines which came into production since 1940 accounted for only slightly more than six million of that amount. Twenty-four of the gold mines now producing came into production between 1930 and 1939 and twelve between the years 1912 and 1930.

In other words, Mr. Chairman, of a gold production value

la: year of 84 million dollars, bullion valued at nearly 78 million dollars was produced by mines which came into production prior to the year 1940.

I am not suggesting for a moment, Mr. Chairman, that the overall mining picture of the Province is not bright. It is very encouraging and important developments are under way in respect to nickel-copper of the Sudbury area, in respect to our large known deposits of iron ore and in connection with uranium and asbestos. Our great mineral industry will continue to prosper in direct relation to continued development of known deposits and the establishment of new ore bodies by exploration.

The Department puts great stress on the importance of geological projects undertaken each year. This is emphasized by the fact that of the total budget for the Department for the fiscal year ending next March 31st of slightly over $857,000, more than one-quarter of this sum, or $208,200, will be spent on geological projects which shortly will see at least twelve parties at work in the field. This detailed geological examination and mapping is proving of great value to the prospector in his search for new deposits and to mine developers in working out the geology of properties under development.

Tied in directly with the geological program of the Department and the service it provides to the mining industry is the publication of detailed geological reports and maps which are in wide and constant use by those seeking to expand mining horizons in Ontario. These two direct services to the industry account for nearly $275,000 from the total budget of $857,500.

When the 1950 geological program is completed it will mean that during the seven summers since 1944 a total of nearly 80

field parties will have carried out geological and geophysical investigations in about 50 different areas throughout the Province.

Asbestos will be in production in Ontario for the first time this summer as deposits in Munro Township are now being made ready and this new phase in mining in Ontario looms as highly important. One of our geological parties will undertake detailed mapping in Munro this summer and I might say here that in addition to the company now erecting its mill near Matheson, other asbestos interests are carrying out exploration work in that area in connection with this important industrial mineral.

Geological mapping of the Alona Bay area on the east shore of Lake Superior, where the search for radioactive minerals has been intensive, will be continued this summer. The search for uranium has already led to the staking of some 4000 claims in that area since pitchblende was discovered in 1948. Last fall staking was facilitated by changes in regulations whereby recorded holders of claims in the Lake Superior Provincial Park would be allowed five years in which to satisfy the Department a bonafide discovery had been made. Previously no work was allowed on claims until after an inspection by a departmental geologist or engineer.

The Department will continue drilling in the James Bay area to test the structure there for gas and oil, a project commenced in 1948. Also there will be geological mapping in the Cobalt area and in Baldwin Township in the Sudbury area. In the Port Arthur area another party willundertake detailed mapping of the Gunflint formations with a view to the possibility of finding commercial iron ore deposits, similar to those in this formation in Minnesota.

Additional geological field work will be done in Ashmore township in the Little Long Lac area and also we will compile the geological information resulting from exploration and underground development carried on since 1938 in the Pickle Lake area. The potential gold-bearing formations in Summers and McComber townships to the east of Beardmore will be surveyed.

In Southern Ontario in Frontenac County a belt of potential mineral-bearing rock crossing Palmerston and Clarendon townships will be mapped. In the hope of finding iron deposits of commercial importance in Hastings County we will examine magnetic anomalies indicated by airborne magnetometer surveys. Also, in Hastings and Raglan counties, there will be detailed mapping of corundum-bearing areas with a view to determining the possibility of commercial development.

You heard yesterday of the serious situation facing some areas of this Province in respect to dwindling ground water supplies. I would point out that in 1944 a division of the Geological Branch was set up to collect well water data and to investigate the ground water resources of the Province. This summer the Department will make surveys of portions of Peel and Halton Counties to assist in the search for additional supplies of sub-surface water.

I would like at this point to refer to what we believe is an important step in connection with attempts to control silicosis in this Province. In 1948 the then Minister of Mines, the hon. Mr. Frost, following representation from the Ontario Mining Association, asked that a study be made on the possibility of improving the present methods of recording the results of medical and X-ray examination of miners. This study was undertaken by Dr. A.H. Sellers of the Ontario Department of Health and Mr. N.F. Parkinson, executive director of the Ontario Mining

Association.

Their report was presented last Fall and as a result of a conference of all interested parties it was decided that the best approach to the problem would be through the appointment of a Medical Statistics Unit for the purpose of making more effective use of the medical and X-ray data available in the files of the Workmen's Compensation Board.

The Unit is being set up by the Department in cooperation with the Department of Health and the Department of Labour as represented by the Workmen's Compensation Board. The new Medical Statistics Unit will be charged with the responsibility of consolidating the records available, and to become available, into a statistical record which will show, prior to the date of the eventual disablement, progression of the disease in its earlier stages. By this means it is hoped to be able to determine, with some degree of accuracy, the progression of the disease and to evaluate the results of the great amount of preventive work that has been done.

The Department of Mines is hopeful that the results accruing from the setting up of this Unit will support the view expressed in many quarters that preventive measures have already had some substantial effect in reducing the dangers of the disease. Such a conclusion would, in turn, give some assurance to our young men, who want to work in this important industry, that they would not be subjected to unnecessary hazards from silicosis.

It is rather important to remember, but after hearing the statement of the hon. member for Cochrane South (Mr. Grummett) the other day, that the mines are not taxed, I think he made a mis-statement of fact, that day, which should be corrected. I do not think it was intentional, but he said the tax on mines

of this province by the provincial government was 15 mills.. The fact is that the first million dollar profits the mines make is taxed at 6 per cent, the next four million are taxed at eight per cent, and anything over ten million is taxed ten per cent. Under the Mining Tax Act amendment, the rebates under that Act are fifteen mills of the pfofit on the ore. That is where the hon. member (mr. Grummett) got the"15 per cent".

MR. MILLARD: If there were no profits, there would be no taxes at all.

MR. GEMMELL: There would be no refunds to the municipalities.

MR. TAYLOR: On behalf of the hon. member for Cochrane South (Mr. Grummett), what he was trying to drive home was that you set up any kind of business, it does not matter whether you make money or not, you are taxed, but in the mining industry you must first make a profit, before there is any money going back to the municipalities.

MR. GEMMELL: I think it is wise to remember that in 1947 as close as can be estimated, the Dominion government benefited to the extent of 73.4 per cent, on the gold mines, and the province collected 6.6 per cent, and the municipalities collected the rest.

Really, the province is not benefitting any more than it should, under this set-up.

I think it is wise to point these facts out.

As I said, the Department proposes to assist the industry in every way possible in its search for new mineral deposits in Ontario. I might say that the proposal of the government to spend 35 million dollars on the development of roads in the north in the next five years opens up wide possibilities for new discoveries.

In the past, highway and rail construction work has led to very important mineral discoveries in Ontario. One of the greatest mining developments in the world, nickel-coper of the Sudbury eare, had its beginning from the initial stages of rail construction in that area and the same can be said for the discovery of silver in the Cobalt area.

While there has been a slackening in the search for gold of late, the over-all search for new mineral wealth is by no means in a slump. This is illustrated by the fact that miners' licenses, taken out to proppect or renewed, showed an increase last year of nearly 1300 and by the fact that the number of claims recorded increased by more than 5000 as against 1948.

There was, of course, a heavy increase in staking and in licenses issued and renewed in the Sault Ste. Marie area due to the search for uranium. Claims staked in the Sudbury area were more than doubled and it is expected that an area of approximately 40,000 acres in that district will be intensively examined this year. Claims staked in the Larder Lake area more than doubled, one of the main reasons for this being the activity in connection with asbestos.

Two very promising prospects are for pitchblend, for the development of uranium, near Sault Ste. Marie, and it is expected when these two things are completely explored, they will lend themselves to commercial development.

It is interesting to note that one of the largest oil wells in all history was brought in just this past summer.

There was one other thing I would like to mention in regard to the silicosis question.

Amongst the important activities of the Department of Mines is the establishment of the reules governing the operation of our great mining industry and the administration of

these rules looking to safe operating and working conditions. All of Part VIII and a large portion of Part IX of the Mining Act comprise these rules.

One of the "accidents" in mining with which we have been concerned is "silicosis". I say it is an accident, since it has been so classed for compensation purposes, and since , like most other accidents, measures can be taken to reduce the incidence, if not entirely eliminate its occurrence. To these ends, the Departments of Mines and the Mining industry itself, have been devoting themselves with commendable effort from the time when silicosis became recognized as a hazard to our miners.

It was early recognized that silicosis, which in the first instance is caused from the breathing in and retaining in the lungs of the individual, dust containing silica, was in part at least a condition that depended upon the natural protection of the individual to guard himself against the disease. With the desire to ensure insofar as possible that only men who were well-equipped to withstand minimum dust exposure, or who, in other words, would not, because of lack of these natural protections, or because of the presence of other conditions such as tuberculosis be subject to greater than normal hazards on account of some dust exposure, provision was made in 1928, at the suggestion of the industry, for compulsory X-ray examinations prior to employment for all persons desiring to enter a dust exposure occupation in mining. Section 155 of the Mining Act now sets out the condition under which a miner's certificate is issued by the Department and the condition of issuance includes not only a chest examination by experts before employment, but annual X-ray examinations thereafter.

In addition, much progress has been made by the industry in co-operation with the Department of Mines Inspection

services in improving dust control and ventilation in our mines.

Since it is now known that in Ontario, mines, the development of silicosis to the point of definite diagnosis, even without disability ensuing, involves for the few who are afflicted, a period of exposure of upwards of 18 years, it is obvious that statistical information based on disablement only is not of much practical value in evaluating the effectiveness of remedial measures put into effect from time to time. In addition, any attempt to use such informationaalone as indicative of trends may be misleading since comparatively few persons are involved, and individual tendencies or resistances may vary sufficiently from time to time to upset conclusions. However, during the past five years, notable changes in the number of new cases of silicosis in our mines have been seen. The number of new claims allowed as compensable in the event of disability resulting, have been -

1945	54
1946	68
1947	46
1948	33
1949	26

The 1949 figure may still be subject to some slight adjustment but is felt to be accurate.

With over 10,000 men employed in what are described as dust exposure occupations in our mines, the new cases developing are fortunately low and a large proportion of these are of men who started mining before the institution of certification in 1928.

While, as I have said before, we cannot take assurance from these figures alone that the hazards of silicosis in our mining industry are being eliminated by the various measures

including annual chest x-ray examination, improved dust control and ventilation, and the administering of aluminum powder prophylactically as instituted by the gold mines of the province some years ago, we are convinced that all these measures together are combining to reduce the prevalence of the disease.

In order, however, to provide something in the way of concrete evidence in the matter, the Department of Mines, in cooperation with the Department of Health ant the Department of Labour, as represented by the Workmen's Compensation Board, has this past year and at the request of the Mining industry, embarked on a programme of setting up a medical statistical unit in the Workmen's Compensation Board which has been charged with the responsibility of consolidating the mass of detailed evidence available in the form of x-ray plates and tabulated reports thereon, into a statistical record which will show, prior to the date of eventual disablement, progression of the disease in its earlier stages. By this means it is hoped to be able to determine with some accuracy comparative figures of progression in the period from 1928 up to the present and for future years, and to evaluate at the same time the results of the great amount of preventive work that has gone forward.

The Department of Mines is hopeful that the results accruing from the setting up of this unit will support the view expressed in many quarters that remedial measures have already had some substantial effect in reducing the dangers of the disease. Such a conclusion would, in turn, give some assurance to our young men, who want to work in an industry important in the development of our natural resources and offering steady work and high wages, that they would not there be subjected to unnecessary hazards from silicosis.

I think that is all I have to say.

SOME hon. MEMBERS: Hear, hear.

MR. DENNISON: I would like to ask the hon. minister (Mr. Gemmell) a question. I believe his department is responsible for the administration of the Beaches Protection Act. Just while the hon. minister (Mr. Gemmell) is getting the information, I should like to say that is what we are told in the little information booklet provided by the Department of Travel and Publicity, and it seems to me that he might take steps to assist in the protection of the beaches in this province, and endeavour to bring the responsibility for the administration of the Beaches Protection Act, as well as the supervision of streams and surface waters of the province -- which is now under the Department of Health -- into one Department. I have never been able to understand why the Department of Mines should have the administration of that Act.

MR. GEMMELL: The Beaches Protection Act is covered by the Department of Mines, particularly with regard to companies or people taking sand out of the lakes for commercial purposes.

MR. DENNISON: I think the Beaches Protection Act, also prevents anyone from dumping any refuse on the beaches, or any material of any kind which will injure the beaches.

MR. GEMMELL: I do not think our department covers that.

MR. DENNISON: It seems to me the hon. minister (Mr. Gemmell) might look into that. The very fact that he was not aware of the fact that the responsibility was his, indicates a lack of doing the job we are doing in this province, in administering the Beaches Protection Act, which was put on the statute books of this province many years ago, for the protection of the beaches of Ontario.

As far as I can see, the beaches of Ontario have been

more or less the stepchild of this department -- perhaps the abandoned stepchild of this department.

I would just like to draw that to the hon. minister's (Mr. Gemmell) attention.

And if I may, I would like to draw the attention of the hon. minister (Mr. Gemmell) to the fact that in every one of his departments under his administration, there is an increase in salaries, an increase in travelling expenses, an increase in the maintenance, in the head office, and every other department, but there is not an increase in the department looking after the inspection, the mines inspection branch. They do not get an increase. It seems to me one of the most important jobs in the department is the inspection branch. I trust that their jobs are not being as neglected as the Beach Protection Act indicated.

MR. GEMMELL: With regard to the Mine Inspections Branch, there was a speeding-up in the training of safety crews. It is rather interesting to note that the cost of maintenance and mine rescue stations is entirely paid for by the mines, through the Workmen's Compensation Board.

MR. NIXON: Mr. Chairman, before we get away from the hon. minister's (Mr. Gemmell) general remarks, on mining in Ontario, which I found very interesting, particularly with regard to taxes, at what stage in the development of the Steep Rock Iron Mines will it become liable for taxes to the Treasury of Ontario?

MR. GEMMELL: It has, over a period of at least three years, paid revenue to the department, under the real estate branch of the Mines Tax Act.

I do not believe there will be very great revenue until about 1953, when we estimate the return to our department will be in the neighborhood of $100,000. per million tons of ore.

MR. NIXON: That is, on the profits.

MR. GEMMELL: That is what I am speaking of, the mine profits tax,

MR. NIXON: In connection with the development of one ore body which they have leased to a different company entirely, have they not -- a Chicago company?

MR. GEMMELL: The third ore development.

MR. NIXON: That is on a royalty basis?

MR. GEMMELL: I believe so.

MR. NIXON: How would that compare with the revenue your department gets from the operation of the Steep Rock Company?

MR. FROST: We will get a crack at both of them.

MR. GEMMELL: That will be a separate tax. We are now testing the ore bodies, to carry out the terms of the lease, if they so see fit.

MR. NIXON: Did I understand that on last year's operations the Treasury received $100,000.?

MR. GEMMELL: No, I said by 1953, when the third ore body is developed -- you know, there is the "A", "B", and "C" -- at the present time, when the big expenditure is there, the profits are reduced to a point where we collect very little, but by 1953 we estimate the production will be two or three million tons, and the biggest expenditures in connection with opening up these bodies will be completed, and we will get into the big profits realm again, and we estimate there will be $100,000. paid to the Treasury per one million tons of ore.

MR. MILLARD: I would like to ask the hon. minister (Mr. Gemmell) regarding that particular mine, to which the

hon. member for Brant (Mr. Nixon) referred. What are you doing about getting the mines profits tax, when this mine is operated actually by two companies, and the big end of the profits are being drained off by the American company?

MR. FROST: That is pure nonsense, just nonsense, and the hon. member (Mr. Millard) knows that. He should not make a statement like that. That is not correct. This company is owned and controlledbby interests in Canada, and the profits are taxed here, and so on. It is true that the Premium Ore Dompany has certain interests in the States, but that has nothing to do with the operations of the companies in this company.

MR. MILLARD: I would like to ask the hon. minister (Mr. Gemmell) to explain why, when the big end of the costs are being borne here by the Canadian companies, the profits are being made by the American companies? How is that operated to get at the profits they are actually making out of these operations?

MR. GEMMELL: The Premium Iron Ore Co. is a company marketing the ore for the Steep Rock Iron Mines, and is a Canadian-controlled company,

MR. MILLARD: Oh no it is not.

MR. GEMMELL: Oh yes it is. Just a minute. You made the statement that the ore is not sold to the Canadian steel mills. I think it is wise to point out to the House, in regard to the statement made in this House concerning Steep Rock, that while we are exporting approximately a million and a half tons of the ore to the United States, but at the same time we are importing three and one-half million tons --

SOME hon. MEMBERS: Hear, hear.

MR. MILLARD: You are importing it from the Mesabi

MR. FROST: The hon. member (Mr. Millard) is connected

with the steel business, and he should know that we cannot use all the hematite ore here. It is exchanged with the United States and the result is we have ore coming to Hamilton and Sault Ste. Marie and other places.

MR. MILLARD: Does the hon. Preimer 'Mr. Frost) suggest that this ore is not interchanged with ore from the Mesabi range?

MR. FROST: That is hematite ore. We cannot use it all.

MR. PARK: We could if we had another steel mill.

MR. MILLARD: Exactly what I said the other day is true; you are not selling the Steep Rock ore in Canada at the present time.

MR. FROST: That is not true, because Steep Rock ore could be used in Toronto or Hamilton, and some even sent down to Nova Scotia.

MR. MILLARD: According to the president, they got a small sample in Hamilton, but they have not bought any from that company, and that company has the full sale of all the ore, and it is sold in the United States.

(Take HH follows).

MR. MacLEOD: According to the president they got a small sample in Hamilton, but not from that company.

HON. MR. GEMMELL: With regard to the commission on the Steep Rock, we may state it was $1.46 per ton. The amount paid to Premium Iron was $8.50 and the commission received was 2%. Your information is wrong.

MR. MacLEOD: It is taken from the figures.

MR. J. B. SALSBERG (St. Andrew): I would ask some of the hon. members in the back row opposite to control themselves and remember that they are members of the House.

MR. CHAIRMAN: That is my problem.

MR. SALSBERG: Am I right in saying that the taxation method used in the gold field is the same as that in the nickel field?

HON. MR. GEMMELL: It is.

MR. SALSBERG: For an answer to that, I would like to ask whether you do not think it is right for the government to establish a special system for nickel because of the place it occupies in our province. I understand that in the gold field we are confronted with problems that cannot be controlled too much, but in the case of nickel we have what you might call a world monopoly. We heard that the province is obliged to make grants to Sudbury. Is it not justifiable in establishing a special system in the case of the Inco, so that the province derives a greater income from the great wealth which this company is getting, and from the resources it is exploiting, and which would enable the community and the province to derive profits which we do not get because we place them in the same level as the gold fields?

HON. MR. GEMMELL: I think it should be pointed out that while International Nickel is the greatest producer of nickel, I believe they are also the same in copper, and that is contributing . . .

to the wealth of Ontario. Copper is not a monopoly.

MR. SALSBERG: I know the hon. Minister (Mr. Gemmell) is aware that there are much higher profits on nickel than on copper, and the result is that the International Nickel is one of the biggest earners in the world.

They are at this date in a position to say that more than 40% of their assets are practically written off. The reports show that that company has written off almost half of their capital investment.

HON. MR. GEMMELL: In assessing taxes on mines you have to take into consideration that all the mines in the province are in operation, and the history is that the average life of any mine is seven years, and I think it should be taken into consideration if you are going to get people to put in capital, they must receive a return of the capital which goes into the original operation, at an early stage. Just because International Nickel Company lasted that long, the contributions to the country have been tremendous.

I will say for International Nickel, I can remember as a boy, the conditions in Copper Cliff. There was no market. The situation in that district at the time was bad. When Mr. Stanley became president, or just before that, they took great steps into nickel and nickel alloys, and as a result of that we have the nickel industry of today. A great deal of the credit is due to the foresight of the men who established a research organization which can compare with any in this country, and they deserve a lot of credit.

MR. MacLEOD: I rather expected the hon. Minister (Mr. Gemmell) to end his speech on Inco with a proposal that Mr. Stanley should be the second man to receive an honorary degree of D. C. L. from Western University.

It did not occur to me that we were going to get into a

discussion on Steep Rock, and I had no desire whatever to contribute to the speech how. I think we will have the opportunity to deal with it later on.

I can reduce what I have to say very substantially if the hon. Minister (Mr. Gemmell) willtell me ishe is going to call the Mines Committee before we prorogue?

HON. MR. GEMMELL: We will do that.

MR. MacLEOD: I should also suggest that when the Committee meets there should be some people there sb that we could have a full discussion on Steep Rock. I say that for this reason, a number of things were said in reply to the hon. member from West York (Mr. Millard) which would indicate that the government, the hon. Prime Minister (Mr. Frost) and the hon. Minister of Min s (Mr. Gemmell) held the opinion that irresponsible statements are being made in the House. I want to say, first, and I want to say this for myself, and this holds true for the hon. member for West York (Mr. Millard), that anything said was said in good faith, and on the basis of information we were able to get from documents, the Canadian Mines Handbook, the financial statements of Steep Rock, and other sources of information. If there is a different side to the story, and if Cyrus Eaton is losing money, let us know and we will take up a collection for him.

I am looking forward to a very full discussion of Steep Rock when the Mines Committee meets, and I will confine these very brief remarks to one point only.

I had been looking through the Mining Act and I must say I was startled in turning the first page to find this section which I will read:

"Any one over the age of 18 years, who takes out a miner's license, may prospect for minerals on Crown lands, or lands for which the rights are reserved to the Crown, and may take out work and acquire title to an area by staking out and recording a claim, performing and filing proog of the prescribed development work, and obtain a survey for any unsurveyed territory, by paying a small price per acre; a petant in fee simple given, or in a provincial forest, a lease, upon the completion of these requirements."

Do I understand that it means that anyone from Patagonia or Lower Slobovia could come into this country and stake out a claim, come down to the Department of Mines here at Queen's Park and by payment of a small fee acquire title under Letters Patent.

HON. MR. FROST: He has to do some work, too. We have no racial discrimination here.

MR. MacLEOD: What this means is that Tommy Manville, between his 10th and 14th marriage, could go into Matheson and stake out a claim and come down to Queen's Park and have title in perpetuity.

HON. MR. FROST: He has to do work on it.

MR. MacLEOD: All he has to do is stake out a claim and get his license.

HON. MR. FROST: What is it that you are reading from? You are not reading from the Act itself?

MR. MacLEOD: I am reading it. And your signature is on it.

HON. MR. FROST: The hon. member for Bellwoods (Mr.

MacLeod) sat in last year and he did not raise the question.

MR. MacLEOD: We did not go through all this.

HON. MR. FROST: Leave this for the Mining Committee.

MR. MacLEOD: Are you blaming me for this?

HON. MR. FROST: Why did you not raise it at that time?

MR. MacLEOD: Iam raising it now.

HON. MR. PORTER: You have to do physical work.

MR. J. B. SALSBERG (St. Andrew): I can see Tommy Manville doing work up there.

MR. MacLEOD: Mr. Chairman, I would wish that the members in the government benches would not continue to interrupt.

MR. CHAIRMAN: Hon. members, please do not think out loud.

MR. MacLEOD: You are not suggesting I am thinking out loud?

MR. E. B. JOLLIFFE (Leader of the opposition): The Chairman is not suggesting there was any thinking.

MR. MacLEOD: Apparently,under the provisions of this section men like Cyrus Eaton and Hogarth, on the basis of these simple requirements hold a title to the best iron of Steep Rock, where there are perhaps one billion tons of ore, and that belongs to the directorsof Steep Rock Iron Mines Limited for ever and a day. They pay a small fee and do some work and it is theirs. There are no provisions in the Act to recover these areas and bring them back into the public domain. Is that true?,

We grant leases for a specified period to Kimberley Park and other projects. These leases can be cancelled. I have an answer to a question of mine showing that something like 11 acres of timber contracts were cancelled by the government, but

we h e no facilities apparently for cancelling these patents that were issued to Cyrus Eaton and John Manville. In their cases they have it forever as long as they pay the fee and the tax. And even if they stop paying taxes they hold a title.

HON. MR. FROST: I would say that as a result of that estimate there is being produced in this year, in Ontario, $315,000,000 of ore and provides employment for perhaps 100,000 people. Our mining towns have been built on that basis. We looked into this question of arriving at some leasehold arrangement. A leasehold arrangement provides little more than we have at the present time.

(Take II follows)

The Steep Rock development involves the raising of probably twenty to twenty-five millions of dollars before a dollar is made and it will be years before that company can possibly pay any dividends, it will take years for them to do that. It may be about 1960 they will get into the dividend-paying class, but in the meantime theare are twenty years of the utmost hazard in an operation of that sort. We look at the bright side of the picture, but those peopleare taking enormous chances.

The north country is full of such cases. Take for instance the city of Sault Ste. Marie,which was created by a fabulous figure by the name of Klerg some years ago---I mean the industries of Sault Ste. Marie, the mines, the street railway, the dam up there and other places. Klerg got $110,000,000 in that show up there and lost the works. He lost everything.in it but he created the city of Sault Ste. Marie.

The north country is full of such pictures and may I say that in the Steep Rock proposition those people are taking terrific chances.

MR. JOLLIFFE: Oh, no.

MR. FROST: I would say the Steep Rock operations, both from the standpoint of engineering and the financial hazards involved, is one of terrific chances. It looks now as if the thing is coming out right side up and it looks as if we are going to have a great asset in this province, one that is going to provide much-needed ore for this country and if it is used out of this country it improves our balance, it improves our balance in ore just the same as Alberta oil improves the oil and gas balance in Canada. The fact is that the hematite ores from this Steep Rock development improve our balance in siderite and the other types of ore necessary in the steel industry.

In respect to the Steep Rock proposition, I would say my hon. friends opposite, instead of throwing their disparaging barbs and arrows at people who have risked everything in this proposition would be better engaged to create in our people a confidence in the future of this great country of ours. I must admit this, I feel the attacks which are delivered by my hon. friends the member for Bellwoods (Mr. MacLeod) and the hon. member for York West (Mr. Millard) are beneath their level. I do not think they should indulge in things like that.

SOME hon. MEMBERS: Hear, hear.

MR. JOLLIFFE: While, we are lavishing all this sympathy ---

MR. FROST: Sympathy nothing.

MR. JOLLIFFE: -- on people who risked their money in Steep Rock, let us not forget the taxpayers who contributed many millions of dollars to the Steep Rock development. They also put some money into it and I wonder why that is not mentioned more often.

MR. MacLEOD: Mr. Chairman, I had the floor and I am very sorry the discussion has taken this turn, because I have no desire whatever to be offensive in the remarks I am making, and I repeat again that what I said about Steep Rock was said in good faith and was based uponthe best information that I was able to get.

MR. JOLLIFFE: Do not forget the taxpayers.

MR. MacLEOD: I beg your pardon?

MR. JOLLIFFE: Do not forget the taxpayer, what he put in.

MR. MacLEOD: Yes. Well, if I am wrong I amwilling to be convinced the other way, but the point I want to make is this, that under this system employed bythe Department of Mines in giving away large slices of territory in this province to Cyrus

Eaton and other people, in return for the payment of a small fee--

MR. FROST: May I say--

MR. MacLEOD: Ju t a moment--

MR. FROST: -- to my hon. friend (Mr. MacLeod) this, if his ideas worked out, the Steep Rock development would be under 30 or 40 feet of water and about 40 feet of mud and there it would stay until time.

MR. JOLLIFFE: That is where it was for 50 years until the taxpayers--

MR. FROST: That is where it would be if you fellows had anything to do with it. I will tell you, the development of this country would be all off your hands if it was ever in your hands.

SOME hon. MEMB RS: Hear, hear.

MR. FROST: God help Ontario, I would say, if that is the kind of psychology you people have.

MR. MacLEOD: May I suggest to the hon. Prime Minister (Mr. Frost) that the policy he is defending actually caused that whole area to be annexed to the United States ?

MR. FROST: No.

MR. MacLEOD: Just a minute now. The hon. Prime Minister (Mr. Frost) just wipes everybody off the face of the earth who does not say amen to everything he says.

MR. J. F. EDWARDS (Perth): It would not be annexed to Russia, anyway.

MR. MacLEOD: Now, listen to the hon. member (Mr. Edwards) who has been in this House for seven years and all he does is sit in the back row and chew gum. Just look at him.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: You should be ashamed of yourself.

HON. G. H. CHALLIES (Minister without portfolio): Your ears stick out.

MR. MacLEOD: Well, I will tell you, you are the last man in the world who should make personal references because if you want to get a shock I suggest you just get a mirror and look at yourself. You are a very silly Minister.

SOME hon. MEMBERS: Oh, oh.

MR. FROST: Let me pour a little oil on the troubled waters and get down to the business of these Estimates.

MR. MacLEOD: Yes, well, you were not pouring oil on troubled waters a few minutes ago, you were pouring oil on the flames.

MR. TAYLOR: "Arsenic and Old Lace."

MR. MacLEOD: The point Iwant to make is this, Mr. Chairman---and if I had not been interrupted, I would have been finished over fifteen minutes ago.

AN hon. MEMBER: Oh, no.

MR. MacLEOD: But the trouble began on that side of the House, as it always begins. I started out by calling the attention of the House to the provisions of the Mining Act which enables people to come in here and grab off asbestos and iron ore and the rest of it and hold title to it for ever and a day, then, having gotten title to the iron ore deposits of Steep Rock, the Cyrus Eaton interests go to a government agency of another country and they get $5,000,000 to invest in that enterprise--

AN hon.MEMBER: And another five.

MR. MacLEOD: Yes, $5,000,000 from the Reconstruction Finance Corporation and $5,000,000 from the Import-Export Bank. Now, what happens? After the Reconstruction Finance Corporation, a United States Government agency, invests this $5,000,000 in Steep Rock, what happens? Well, according to the Canadian

Mines Handbook, the $5,000,000 loan is secured by deed of trust on all the company's properties, assets and other undertakings. In other words, the Reconstruction Finance Corporation holds a deed of trust to all the physical assets of the Steep Rock Iron Mines Limited and should there be default in the payment of interest, the Reconstruction Finance Corporation, as an agency of the United States Government, would have the power to annex those territories to the United States. That is what it means, if it means anything at all.

The physical assets, all the physical assets of a piece of property which has been ceded, in effect, to Cyrus Eaton, is held and the deed of trust isheld by the Reconstruction Finance Corporation. Well, I suggest that that is not treating the natural resources of the province of Ontario as a public trust. What you have is a sign out across this province to anybody who wants to come in, saying: "Here we are, come and take us."

I am suggesting to thehon. Minister of Mines (Mr. Gemmell) that he should carefully consider changing the Mining Act so that these properties are held by lease arrangement and not by patents that give possession of a holder for ever and a day, in perpetuity. I do not know whether the hon. Minister (Mr. Gemmell) has thought this through or not, I have not had a chance to disucss it with him, but I have found him a very reasonable person and up until fifteen minutes ago I had always found the hon. Prime Minister (Mr. Frost) a rather reasnable person. He has been out of hand since we started here tonight. I do know what is wrong with him, but surely to goodness hon. members of this House can get up and honestly and sincerely make statements without having to have hurled at them the

charge that they are just a bunch of blabbermouths, and have a senior Minister of this government make personal remarks, and that hon. Minister (Mr. Challies) of all people. Where are we getting?

MR. CHALLIES: You are starting it again.

MR. MacLEOD: I am starting it again and I am frank to say every time I look at you I get fresh inspiration.

SOME hon. MEMBERS: Oh, oh.

MR. MacLEOD: I would like to hear what the very reasonable hon. Minister of Mines (Mr. Gemmell) has to say about this. I am glad he is the Minister of Mines and I am sure he is going to get along very well with hon. members of this House.

HON. W. S. GEMMELL (Minister of Mines): Mr. Chairman, provision regarding leases for mining properties ia a very difficult problem and with regard to the tieing up of mining claims there are very many pitfalls either way when it comes to how you would arrange these for the benefit of all concerned. I do not think there is anybody here who will disagree when I saythat industry like the Algoma properties, Steep Rock, the nickel mines, and Hollinger, big operators, are entitled to fairly large areas to protect the continuity of the industry. I think it is for the benefit of everybody concerned in the district in which the industries are situated that they should be allowed to have large properties. Onthe other hand you are up against the proposition of people holding mining claims for 16 and 18 years and doing nothing about it. How you are going to get around the situation, frankly, sir, I say there are many pitfalls.

For instance, take the question of a mining company acquiring property, selling common stock, if the assets of that company are only secured by a lease rather than by title, the

shareholder who buys on the open market is not permitted in any way, shape or form if the affairs of the company are not operated properly and if that company becomes defunct, the funds of the company are placed in bankruptcy and the shareholders in that company have no visible assets in any way, shape or form; under the lease system they have no protection, whereas under the patent fee system, where the company gets outright title to the property, then the shareholders in the company, if anything happens, have at least something to go back on.

That is one of the angles you are up against. I am not saying it of this particular thing, but I am trying to point out the angles that may come up.

MR. MacLEOD: Does not the hon. Minister (Mr. Gemmell) agree that after all these are the people's assets? The hon. Prime Minister (Mr. Frost) said here last year---and he is a great man for expressing his faith in the great future of the province of Ontario; he should not set himself apart; I share that faith just as much as he does---but after all if the situation should develop in the province of Ontario five, ten or fifteen years from now, where it might be possible to establish a steel industry at Port Arthur comparable to the steel industry at Sault Ste. Marie, and we could use the ore resources at Steep Rock, we would be at the mercy of Cyrus Eaton under this arrangement, because he has the exclusive right of sale, and I think the hon. member for York West (Mr. Millard) is quite right that practically the entire output isgoing to the United States now, and I think it will continue to go there even after they get up to 4,000,000 or 5,000,000 tons a year.

Mr. Chairman, I will be through in a minute. I grant you that people who are prepared to invest money in an industry should not be placed in the position where it can be swept away from them at will. On the other hand, I think there must be

something in the Mining Act which makes any mineral deposits of that sort recoverable by the Crown.

MR. JOLLIFFE: Not as long as they pay their taxes.

MR. MacLEOD: But they cannot get it now. As long as they pay their taxes, they cannot get it, so I do not think the hon. leader of the opposition (Mr. Jolliffe) and his party share the p int of view, the economic point of view shall I say, of this government. If the C. C. F. were to come to power in the province of Ontario--

AN hon. MEMBER: God forbid.

MR. MacLEOD: --and undertake to do in this country some of the t ingsthe British Labor Government has done in England, to nationalize certain industries, how would they go about tackling Cyrus Eaton, the Cyrus Eaton interests in Canada? Well, the giving awayof these territories to the Eaton interests is so complete that the only way they could get them back would be to expropriate the expropriator, you might say. And the only way you can get back the Steep Rock areas and bring them back tothe public domain of this province is to put some provision in the Act which enables the government of Ontario to cancel the patents that are held by this company. Is that not true?

MR. FROST: What in the world do you want to cancel a man doing a job like Steep Rock for, or what do you want to take it over for? The whole argument, you are just chasing yourself around a tree, making an argument like that.

MR. MacLEOD: That is from your point of view.

MR. FROST: In some provinces they have a leasehold system.

MR. MacLEOD: Yes.

MR. FROST: You know that.

MR. MacLEOD: Certainly.

MR. FROST: But the fact of the matter is that where the leases are given, they have to be given on such long terms and under such conditions to get the investment, to get people to invest the amounts of money in them that are required to develop the properties that the leases amount to holdings almost in perpetuity. You could never get anybody, for instance, to invest the enormous sums of money that are invested at Sudbury, with the employment there of 12,000 people, unless there is some permanency in the tenure of the land. It may be that in the beginningsof things here in Ontario we might have gone into a leasehold system such as they have in some provinces, but that leasehold system would have to be of such a permancency and such a period of time that it would amount almost to a permanency.

(Take JJ follows)

Now, that is the situation. I do not want to drag another province into it, but let us consider for instance, the enormous sums of money the Hollinger is investing in iron ore in the part of Quebec down near Labrador, which is conducted I believe, on some sort of lease-hold arrangement, but it is such an extent and such a scope, that it amounts to almost an alienation of the land.

We have these things in our Act. It is true we give a patent when the work is done, but we also have in our Act a provision that the land reverts, and it reverts to us in hundreds of thousands of acres per year. It is then opened up for re-staking.

Not long ago when I was Minister of Mines, the land tax was increased in order not only to facilitate but to encourage the coming back to the Crown of mineral lands. There are two systems; but when you get down to the practical operation of those systems, you will find in the end that there is comparatively little difference in operation. After all, to get the millions and hundreds of millions of dollars necessary for the development of these areas, it is necessary to give permanency to the holding of land, rather than by lease-hold or by deed. That, I think, is the situation.

When you get into that, and go into other provinces and see what they are doing, you will find in the final result there is not a great deal of difference, under our own system. I went into that years ago, when we were revising the Act.

MR. MacLEOD: Do you mind answering this question? Do you not think it would be a wise policy on the part of the government of Ontario, instead of permitting these two

Washington agencies to sink $10,000,000. in this Steep Rock enterprise, from which they derive 4½ percent. from the operations of that company, and which is paid in currency -- would it not be in the public interest of the taxpayers who have an investment in that enterprise, if the Treasury of Ontario would invest $10,000,000. in the enterprise in which the hon. Prime Minister (Mr. Frost) has such implicit faith, and let Steep Rock pay the 4½ percent. interest to the government of Ontario.

MR. PORTER: Why did not the hon. member (Mr. MacLeod) suggest that four or five years ago, when this was a gamble?

MR. MacLEOD: I was not here.

MR. PORTER: Oh yes, you were. You have been here ever since I have.

MR. MacLEOD: I have a feeling there is some reason --

MR. FROST: This is all purely hypothetical. We are wasting time on this. After all, the hon. member (Mr. MacLeod) has his views, and I think his views would lead to the bankruptcy of this country and I enroll in that statement, the hon. members opposite here, but that is only my own view. I think between the pair of them over there, and these fellows who sit opposite here --

MR. MacLEOD: You are being very insulting now. You have never been insulted by any hon. member of this House.

MR. FROST: The hon. members opposite --

MR. MacLEOD: I asked you a simple question, and you get up and indulge in a torrent of abuse. I asked you a very serious question.

MR. MILLARD: There have been quite a number of references made to Steep Rock. I want to ask the hon. Prime Minister (Mr. Frost) if he will secure the amount of private capital derived from the sale of treasury stock invested in

Steep Rock. I do not mean the amount of the trading. I want to know the amount of the private capital and the amount of public capital which has gone into Steep Rock.

MR. FROST: That is quite available, if you get the various records. The hon. member for Bellwoods (Mr. MacLeod) has all that information.

MR. JOLLIFFE: Before the Vote passes, in view of what the hon. Prime Minister (Mr. Frost) attempted to say a few minutes ago, and with the contempt he seems to entertainfor some of us on this side of the House --

MR. FROST: I have no contempt for the hon. members on the other side of the House at all. I said you have your views, and I disagree with them. Let us be friends.

MR. MacLEOD: You showed it tonight.

MR. JOLLIFFE: It may be quite useless to make the point, in view of the apparent inability of the hon. members opposite to listen, but I am suggesting to them that there is a limit even to their own thinking, and they ought occasionally to ask this question, is not the situation on the North American continent changing? It may have been true a few decades ago, or even a few years ago, that we had to beg Americans to come here to develop our untapped resources, but let me tell the hon. Prime Minister (Mr. Frost) that the United States today, the greatest industrial power in the world, is an ore-hungry country, the most ore-hungry in the world, and they do not have to be begged to come up here and look for ore. I think this government, as well as the government at Quebec, instead of patting themselves on the back, in view of the fact that this new industry has come into being should be asking and getting the best price they can get, for

something the United States has to have, because they are running out of ore.

MR. FROST: The hon. Leader of the Opposition (Mr. Jolliffe) knows this -- what is the use of talking that way? Here we are dependent on the United States for coal, we are dependent upon the United States for gas --

MR. JOLLIFFE: And we pay a good price for it, too.

MR. FROST: That may be.

MR. JOLLIFFE: Then let us not sell our ore too cheaply.

MR. FROST: Let us be sensible. We are really a big family on this continent, and under our economy, does the hon. member (Mr. Jolliffe) suggest they should say "do not give them a cubic foot of coal; do not give them any gas; keep our resources ourselves -- "

MR. JOLLIFFE: No. The hon. Prime Minister (Mr. Frost) knows very well that is not what I was talking about.

MR. FROST: That is just what you said.

MR. JOLLIFFE: I never suggested for a moment we should deny the people who need our ore, which we may be able to sell. We have ore, and the Americans are going to run out of their ore before very long.

What I am pointing out is that we should get rid of those in this country who are doing a selling job, and show them that this country is worth investing in, and worth immigrating to.

I am saying to the hon. Prime Minister (Mr. Frost) that it is no longer necessary, that we should need to be so grateful for American money coming in, and being invested here in the development of our ore mines. I think we tumbled over ourselves in entering into this arrangement with Steep Rock when the Americans just had to have it.

I do not mean to suggest that we should deny them the ore; I think we should sell it, but if we are going to be businessmen, let us make a good businesslike deal out of it, and not do something that will look ridiculous 30 years from now. How do you think it will stack up 30 years from now?

MR. FROST: I would say first class. The steel business in the United States is a very highly competitive business --

MR. PARK: Oh, nonsense.

MR. FROST: The hon. member (Mr. Park) can tear his hair --

MR. PARK: Not with the fixed price system, it is not competitive at all.

MR. FROST: Do not look so angry.

MR. PARK: You are talking nonsense.

MR. FROST: Let me say this to the hon. member (Mr. Park) that our Department looked into the matter of the sale of ore in the States. I say that the sale of ore in the States between the United States Steel and the independents, who are largely around Cleveland and places of that sort, is really a highly competitive business. The price of ore can be very readily obtained, the fact of the matter is that our sales and our purchases in this country are not equal, because while Steep Rock is sending one million tons across the line, we are getting three million tons into this country at the present time.

MR. JOLLIFFE: At the present time.

MR. FROST: It all balances up. Where do you think we get the steel to run the steel mills in Hamilton? Where do you think we get the steel to run the steel mills right here in Toronto? And if you go up to Sault Ste. Marie -- I do not suppose you hon. members opposite know this, but it is true --

up at Sault Ste. Marie, the greater part of the ore that is used by the Algoma Steel Company comes from the United States.

MR. JOLLIFFE: Oh, we have always known that. Where will we get it 25 years from now?

MR. FROST: This is the first time you have given any indication of knowing it.

The matter of the price of ore is all settled by international dealings, and we are just as open in that as when dealing in American dollars, or in the bushels of wheat. These things are all decided internationally. Do not let people for one minute think the assets of this country are being sold for nothing down in the United States.

MR. MILLARD: May I ask the hon. Minister of Mines (Mr. Gemmell) to what extent the Jones & Laughlin Company are interested now in the WaWa area, and what finances are being put in to the development of the iron ore resources there.

MR. GEMMELL: Apparently they are engaged in a program of drilling at the moment.

MR. MILLARD: What area have they surveyed, and what area have they obtained?

MR. FROST: Do you want to drive them out, too?

MR. MILLARD: No, but I want to know when I go up to organize them. I am still waiting for an answer.

MR. PORTER: The way you asked the question, no one would want to answer it.

MR. FROST: Everyone is belligerent; everything is wrong.

MR. MILLARD: I am still waiting for the answer. The hon. Minister (Mr. Gemmell) is getting it for me.

MR. GEMMELL: They have two properties, known as the "Lucy" and the "Ruth".

MR. MILLARD: How many acres does it cover?

MR. GEMMELL: I have not the figure here, but I can get it for you.

Vote 118 agreed to.

Vote 119 agreed to.

On Vote 120.

MR. JOLLIFFE: May I say to the hon. members opposite that these little yelps, from time to time, do not encourage the passing of these estimates.

(Take KK-1 follows)

MR. W. DENNISON (St. David): On number 120, I would like to ask the hon. Minister (Mr. Gemmell) a question. The total expenditure on mining inspection has been about $110,000 a year over the past three years. The year before last, in 1948 and 1949, of the $110,000, $15,000 was spent on printing with the King's Printer here in the building. It seems to me a large sum of money for the Mines Inspection Branch to spend on printing. I wonder if the hon. Minister (Mr. Gemmell) would give an explanation?

HON. W. S. GEMMELL (Sudbury): Apparently this figure covered a special order for a rope record book to be used in connection with the mines, or sold through the mine, I suppose, and it probably fills three or four years in advance.

MR. DENNISON: $15,000?

Vote number 120 agreed to.

Vote number 121 agreed to.

On vote number 122.

MR. E. B. JOLLIFFE (Leader of the opposition): Mr. Chairman, is this the vote under which provision is made for the investigation of wells and sub-surface water? I am speaking of vote 122. There is reference there to the Well Drillers Act, and you have under way certain investigations of wells and sub-surface water which I assume comes either under this or the other.

MR. GEMMELL: We have a geologist whose work comes under this branch. Part of the geological program for the coming year, I think , is Peel and Halton Counties, which are going to be given attention by the water geologist of our Department, whose services will also be available to anyone who would like to use them outside of that area.

MR. JOLLIFFE: How many have you got?

MR. GEMMELL: Just the one.

MR. JOLLIFFE: I may say to the hon. Minister (Mr. Gemmell) I think the work is valuable and I think he will probably agree with me that it would have to be extended because of the importance of the whole sub-surface water problem.

MR. GEMMELL: It is a serious problem.

MR. JOLLIFFE: That is the intention, is it?

MR. GEMMELL: Yes, that is right.

Vote number 122 agreed to.

On vote number 123.

MR. C. H. MILLARD (York West): Mr. Chairman, may I ask the hon. Minister (Mr. Gemmell), who pays for the damage from the sintering plant in Wawa? There are to my knowledge probably several thousand acres of bushland which has been completely ruined bythe sulphur fumes from the stacks of the sintering plant! I assume that is Crown land. Now, who pays for the practical denuding of that area from the fumes fromthe sintering plant and does this arbitrator decide what the price to be paid is and who gets it and all about it, or would you explain this item to me.

MR. GEMMELL: Under the Sulphur Fumes, on this particular vote, of course it came about as a result of the nickel industry, no question about that, but the figures particularly referred to are paid entirely by the two nickel companies, I believe on a basis of 90% by International Nickel and 10% by Falconbridge. I assume the hon. member (Mr. Millard) is familiar with the Sulphur Fumes Arbitration Act?

What the situation at Wawa is, I am not sure. I do not believe there have been any claims. I believe now before establishing a smelter they must make application to the government and any individuals can take objection to a smelter being set up in anyplace, and if there are no objections they

may go ahead and smelt ores and disseminate sulphur-dioxide. I do not believe there is any charge made on the companies.

MR. MILLARD: Does not the hon. Minister (Mr. Gemmell) know there are thousands of acres of land there which have been ruined, the bush land stands ruined, the pulpwood ruined, because of this process?

MR. FROST: I think that damage was done a number of years ago.

MR. MILLARD: Well, your producers granted a bonus, paid a bonus to this particular company.

HON. DANA PORTER (Attorney-General): How many years ago was that?

MR. MILLARD: And they made a great deal of money out of it, the Algoma Steel Corporation, but I am anxious to know who pays for the damage to the province of Ontario, because in thise case there have been millions of dollars worth of damage done in this area.

MR. PORTER: How many years ago did it happen?

MR. MILLARD: It happened over the years since the building of that plant.

MR. PORTER: Still happening?

MR. MILLARD: Happens still.

MR. GEMMELL: I do not believe there is very much damage there now, as a matter of fact I was up there in November and I think the percentage of sulphuric dioxide going into that area from the sintering plant is a very, very minor danger now.

Vote number 123 agreed to.

(Take LL follows)

MR. MILLARD: Do you want to take another department?

MR. SALSBERG: Let us take Education now.

MR. JOLLIFFE: Mr. Chairman, I would like to say that there are only two reasons I can think of in all decency why Education should not be taken up tonight. The first is that last night was the fifth birthday of the Hope Commission, and I had thought that in all decency it would be hardly the fair thing to take the estimates on that particular day. There are some things we just should not do.

MR. PORTER: That is only one of the items. We could leave the item over until some other time.

MR. JOLLIFFE: The other was a letter the hon. minister (Mr. Porter) --

MR. FROST: How did he get it?

MR. JOLLIFFE: They sent me a copy of it. This happens to be an important organization, and I think the hon. minister (Mr. Porter) will agree that to start his estimates would be highly improper, untill he has read the letter, and met the deputation.

MR. FROST: Mr. Chairman, I move the Committee rise and report progress.

Motion agreed to.

The House resumes; Mr. Speaker in the Chair.

MR. T. L. PATRICK (Middlesex North): Mr. Speaker, the Committee of Supply makes a report it has come to certain resolutions, asks leave to sit again, and moves the adoption of the report.

Motion agreed to.

MR. FROST: Mr. Speaker, before moving the adjournment of the House, it is our intention tomorrow to go ahead with government Orders, and government Bills. If I am able to get

in one of the Opposition Bills tomorrow, I will do so.

I had said that on Thursday night we were going ahead with the report on Conservation, but I have had a number of hon. members ask me to postpone that until Monday, in order that the hon. members could have the opportunity of reading the report over the weekend. I think that is a reasonable suggestion, I discussed it with the hon. Leader of the Opposition (Mr. Jolliffe) today, and suggested that instead of having the debate on that subject on Thursday, we should have it on Monday instead. We will have a night session on Monday. There will be no night session on Tuesday of next week, but I would like to have a night sitting this coming Thursday.

I want to apologize to the House for running past eleven o'clock, but the purpose of it was two-fold. As I say, the members in the Liberal group opposite asked that there be no night session tomorrow night, and I wanted to accede to their request, and, furthermore, I am most anxious to carry out the arrangement I made with the Opposition hon. members today, I arranged with the leaders of the various Opposition groups, in connection with Opposition Bills, to carve out a couple of days which will be necessary to cover that field. We have to keep up the schedule, to do that,

Mr. Speaker, I move, seconded by Mr. Doucett, that today, Wednesday, the 22nd instant, and also Thursday, the 23rd instant, this House do meet at two o'clock in the afternoon, and that the provisions of Rule No. 2 of the Assembly be suspended so far as they might apply to this motion. My purpose is to meet at two o'clock tomorrow and Thursday, with a night session on Thursday. I think if we all work together, we will get the business out of the way. I know the night sessions are difficult; they are hard on the dispositions --

MR. JOLLIFFE: This has been very quiet tonight.

MR. FROST: All right. If everybody is satisfied, we are.

Motion agreed to.

MR. FROST: I move the House do now adjourn.

Motion agreed to.

The House adjourned at 12.33 o'clock a. m.

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